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november 1987

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

SPECIAL REPORTS:

GECC/Gelco Agreement
Ford Buying USLI
Hertz and Avis Sold

Expense Control
Acquisition Survey
Convention Reviews
Innovative Truck Program

automotive
FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

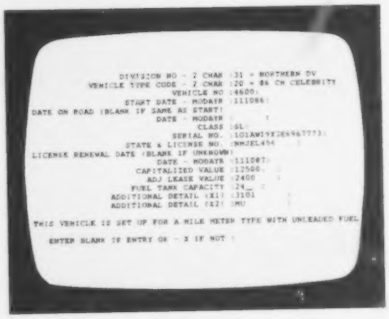
BOBIT PUBLISHING

NOVEMBER 1987
VOL. 26, NO. 13

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

GELCO
United States
Fleet Leasing, Inc.
US

p. 22



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DATE ON ROAD (BLANK IF SAME AS START)
                   DATE - MODAYR :      :
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LICENSE RENEWAL DATE (BLANK IF UNKNOWN)
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                 ADJ LEASE VALUE :2400    :
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          ADDITIONAL DETAIL (X2) :MU          :

THIS VEHICLE IS SET UP FOR A MILE METER TYPE WITH UNLEADED FUEL

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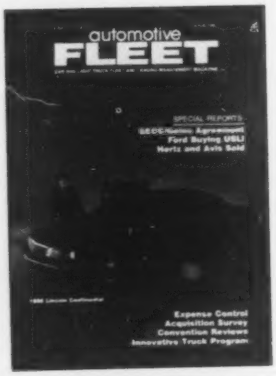

On the cover: Presenting the 1988 Lincoln Continental are (left to right) Thomas Wagner, vice president & general manager, Lincoln-Mercury Division; Don Langefeld, leasing & fleet sales manager, and John Rowley, major leasing & fleets account manager.

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Fleet professionals responding to NAFA's most recent study indicate that mid-size passenger cars and light trucks are, and will continue to be, the most popular vehicles in fleets in the United States.

NAFA's 1988 New Car Acquisition Survey

Sharing the spotlight as the favored fleet vehicles in the U.S. for 1987 are mid-size cars and light trucks, according to NAFA's 1988 New Car Acquisition Survey. That trend will continue in 1988. Fleet professionals responding to the survey indicated that 37 percent of the vehicles in their fleets were mid-size cars, and 32 percent were light trucks. In 1988, 44 percent of 1988-model year purchases will be mid-size cars, and 19 percent will be light trucks. NAFA's latest survey, for the first time, makes specific reference to light trucks and vans, clearly an indicator of their importance in fleet composition.

Also, of the 106,894 anticipated 1988-model year vehicle acquisitions, 16 percent will be compact cars, 11 percent will be large cars, seven percent will be minivans, and three percent will be subcompact cars, survey results show.

The 1988 NAFA survey gained 319 responses from U.S. fleets controlling 356,132 vehicles, of which 192,930 are company-owned, and 163,202 are leased.

No substantial changes in fleet operations in 1988 are predicted by nearly 60 percent of U.S. fleets. Where change is expected, 14 percent indicated they will likely reduce the number of fleet vehicles, 14 percent said they are likely to hold vehicles longer and for more mileage than before, 10 percent said they are likely to lease cars previously purchased, and three percent said they are likely to divest most of their fleets and switch to employee ownership.

No changes in vehicle size are anticipated, as 93 percent of U.S. fleets indicated they do not plan to change the size of cars in their fleets in 1988. U.S. fleets today comprise 37 percent mid-size cars, 32 percent light trucks, 13 percent compact cars, nine percent large cars, five percent minivans, and four percent subcompact cars.

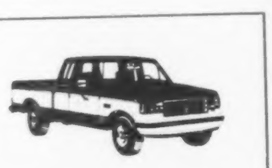
Anticipating 1988-model year acquisitions, U.S. fleets said 44 percent will be mid-size cars, 19 percent will be light trucks, 16 percent will be compact cars, 11 percent will be large cars, seven percent will be minivans, and three percent will be subcompacts. U.S. fleets currently include less than one percent (0.7 percent) import cars, and expect only 0.5 percent of 1988-model year acquisitions to be imports built overseas, indicating that imports have difficulty penetrating the fleet market in this country.

A majority (67 percent) of U.S. fleet managers are responsible for the purchase of vehicles assigned to executives. Respondents indicated they expect to purchase 2,889 such vehicles for the 1988-model year. Only 39 percent of U.S. fleet professionals purchase vehicles for an executive car pool. They expect to purchase 694 1988-model year vehicles for such pools. Still fewer (14 percent) U.S. fleet managers purchase personally-owned vehicles for corporate executives. Those who do make such purchases expect to buy 1,408 1988-model year vehicles for executives.

More than half (51 percent) of U.S. fleets offer operators a choice of the make of car. One third offer operators the choice of car model, but only 11 percent offer operators a choice of engine type. Nearly 84 percent of 1987-model year cars in U.S. fleets were purchased under a fleet incentive program.

Vehicles in Fleet Responding

Company-Owned	192,930
Leased	163,202
Total	356,132



	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf.	Industrial Manuf.	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	TOTAL SAMPLE
Company-Owned	20,147	2,515	6,398	5,434	23,620	17,719	52,323	44,964	1,466	18,344	192,930
Leased	16,461	23,773	7,313	10,789	62,124	15,758	4,497	1,196	952	20,339	163,202

ACQUISITION

Please indicate whether you are responsible for purchasing the following and if so, how many you plan to purchase in the 1988-model year?

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf	Industrial Manuf	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
Corporate vehicle assigned to executives												
Yes	25	11	17	13	26	11	22	19	9	33	186	67%
No	13	14	5	7	16	5	5	13	0	13	91	33%
#	175	52	235	96	319	219	134	421	566	674	2,889	—
Executive car pools												
Yes	13	7	7	4	6	4	15	13	7	16	92	39%
No	21	16	12	11	30	9	10	16	1	21	147	61%
#	47	17	37	28	21	59	92	87	86	220	694	—
Personally-owned cars for corporate executives												
Yes	5	3	6	2	7	1	0	0	0	7	31	14%
No	29	20	12	14	27	12	19	24	6	29	192	86%
#	0	4	8	2	1,310	0	0	0	0	84	1,408	—

Are your operators allowed a choice of any of the following?

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf	Industrial Manuf	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
Make of car	21	25	15	13	33	14	5	1	6	30	163	51%
Model of car	12	18	6	12	24	4	3	1	6	19	105	33%
Engine-type	2	4	1	3	6	3	1	2	4	9	35	11%

Please indicate the number of vehicles in your fleet in the following size categories

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf	Industrial Manuf	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
Subcompact	1,279	1,705	200	31	77	1	6,712	4,004	66	67	14,142	4.0%
Compact	16,867	467	2,172	868	9,617	60	5,250	7,036	1,051	3,497	46,885	13.0%
Mid-size	17,041	21,533	9,507	6,837	39,562	8,128	1,459	14,596	876	9,195	128,734	37.0%
Large	593	1,370	660	390	1,391	4,512	530	16,823	261	5,135	31,665	9.0%
Light trucks	712	916	2,808	6,668	12,931	18,283	38,006	16,912	125	14,754	112,115	32.0%
Minivans	225	1,146	473	918	8,148	750	3,215	996	100	2,348	18,319	5.0%

How many new vehicles in the following categories does your company expect to purchase or lease during the 1988-model year?

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf	Industrial Manuf	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
Subcompact	1	1,800	45	0	50	0	846	186	26	49	3,003	3.0%
Compact	5,398	273	941	344	4,015	265	1,302	1,973	569	1,823	16,903	16.0%
Mid-size	5,434	9,250	3,426	3,379	15,461	2,582	328	2,158	1,920	3,130	47,068	44.0%
Large	221	839	369	153	456	1,343	93	6,126	657	1,435	11,692	11.0%
Minivans	58	575	275	506	3,455	239	787	203	55	1,240	7,393	7.0%
Light trucks	39	327	331	1,182	3,544	2,997	4,215	2,914	19	5,267	20,835	19.0%
Total	11,151	13,064	5,387	5,564	26,981	7,426	7,517	13,560	3,246	12,944	106,894	—

What percent of the 1987-model year vehicles you purchased were purchased under a fleet incentive program?

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf.	Industrial Manuf.	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
Mean	85.6	79.0	88.1	90.8	80.8	80.1	80.4	93.1	78.7	80.9	83.8	—
Median	100.0	92.0	95.0	100.0	96.0	92.0	95.0	100.0	96.5	95.0	96.2	—

How many of your cars are imports built outside North America?

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf.	Industrial Manuf.	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
U.S.	4	37	17	52	2,003	1	138	104	21	145	2,522	0.7%

Please indicate the number of imports purchased from the 1987-model year and the number you expect to purchase in the 1988-model year.

	Insurance	Drugs & Cosmetics	Food & Beverage	Consumer Manuf.	Industrial Manuf.	Chemical & Petroleum	Public Utility	Government	Bank/ Financial	Other	Total	% of Total
1987-Model Year	1	13	8	16	31	10	3	22	112	61	277	0.6%
1988-Model Year	2	8	82	20	245	10	0	25	118	40	550	0.5%

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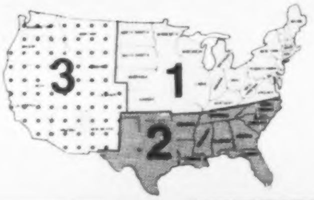
USED CARS

The following are average car prices ending October 1, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE		
	Zone 1	Zone 2	Zone 3
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3259	3292	3194
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2530	2554	2480
85 AMC ENCORE			
Sdn 5-Dr S Series	3228	3259	3161
84 AMC ENCORE			
Sdn 5-Dr S Series	2533	2558	2481
85 BUICK SKYHAWK			
Cust Coupe	4367	4410	4280
Cust Sdn	4434	4476	4346
85 BUICK CENTURY			
Cust Sdn	5770	5829	5655
84 BUICK CENTURY			
Cust Sdn	4802	4847	4706
85 BUICK SKYLARK			
Cust Sdn	4297	4341	4213
84 BUICK SKYLARK			
Cust Sdn	3433	3467	3366
85 BUICK SOMERSET REGAL			
Coupe	6247	6311	6124
85 BUICK RIVIERA			
Coupe	10.055	10.157	9855
84 BUICK RIVIERA			
Coupe	8396	8478	8229
85 BUICK LE SABRE			
Cust Sdn	7081	7151	6942
Cust Cpe	7081	7151	6942
85 CADILLAC DE VILLE			
Cpe	10.559	10.661	10.348
Sdn	10.559	10.661	10.348
84 CADILLAC DE VILLE			
Cpe	8041	8117	7879
Sdn	7984	8066	7825
85 CADILLAC SEVILLE			
Sdn	14.557	14.701	14.268
84 CADILLAC SEVILLE			
Sdn	12.066	12.188	11.828
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2978	3006	2917
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2294	2315	2247
85 CHEVY CAMARO			
Cpe	6436	6500	6310
84 CHEVY CAMARO			
Cpe	5370	5422	5261
85 CHEVY CAVALIER			
Sdn	4203	4242	4117
84 CHEVY CAVALIER			
Sdn	3388	3420	3318
85 CHEVY CELEBRITY			
Sdn	5228	5281	5130
84 CHEVY CELEBRITY			
Sdn	4062	4104	3984
85 CHEVY CAPRICE			
Sdn	6669	6731	6533
84 CHEVY CAPRICE			
Sdn	5343	5398	5237
85 CHRYSLER LE BARON			
Cpe	5373	5424	5263
Sdn	5407	5461	5300
84 CHRYSLER LE BARON			
Cpe	4274	4317	4189
Sdn	4274	4317	4189
85 CHRYSLER FIFTH AVENUE			
Sdn	8316	8399	8146
84 CHRYSLER FIFTH AVENUE			
Sdn	6983	7055	6844
85 DODGE OMNI			
Htchbk 4 Dr	3328	3362	3261
84 DODGE OMNI			
Htchbk 4 Dr	2631	2657	2581
85 DODGE ARIES			
Sdn	3986	4027	3907
84 DODGE ARIES			
Sdn	2946	2977	2887
85 DODGE DIPLOMAT			
Sln Sdn	4583	4627	4491
84 DODGE DIPLOMAT			
Sln Sdn	3530	3564	3460
85 DODGE LANCER			
Sdn	5371	5425	5263
85 DODGE 600			
Sdn	5007	5055	4907
84 DODGE 600			
Sdn	3765	3802	3688
85 FORD ESCORT			
Htchbk 4 Dr L Series	3486	3522	3418
84 FORD ESCORT			
Htchbk 4 Dr L Series	2744	2774	2693
85 FORD MUSTANG			
LX-4 Cpe	5019	5070	4917
84 FORD MUSTANG			
L-4 Cpe	4064	4104	3982
85 FORD TEMPO			
GL Sdn 2 Dr	4180	4222	4097
GL Sdn 4 Dr	4249	4293	4164
84 FORD TEMPO			
L Sdn 2 Dr	2774	2799	2717
L Sdn 4 Dr	2825	2853	2770
85 FORD LTD			
Sdn	4446	4490	4357
84 FORD LTD			
Sdn	3334	3369	3269
85 FORD CROWN VIC			
Sdn	7658	7731	7504
84 FORD CROWN VIC			
Sdn	6158	6221	6037
85 FORD THUNDERBIRD			
Cpe	6564	6630	6433
84 FORD THUNDERBIRD			
Cpe	5426	5480	5317
85 LINCOLN CONTINENTAL			
Sdn	13,157	13,291	12,896
Town Car Sdn	11,880	12,001	11,643
Mark VII Cpe	12,887	13,012	12,626
84 LINCOLN CONTINENTAL			
Sdn	9968	10,068	9766
Town Car Sdn	8859	8947	8683
Mark VII Cpe	9681	9777	9486
85 MERCURY LYNX			
Htchbk 2 Dr	3313	3346	3244
84 MERCURY LYNX			
Htchbk 2 Dr	2610	2634	2554
85 MERCURY COUGAR			
Cpe LS	7264	7335	7119
84 MERCURY COUGAR			
Cpe LS	5998	6059	5877
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4388	4431	4299
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3376	3410	3307
85 MERCURY MARQUIS			
Sdn	4508	4554	4419
84 MERCURY MARQUIS			
Sdn	3392	3424	3320
85 MERCURY GRAND MARQUIS			
Sdn	8076	8156	7914
84 MERCURY GRAND MARQUIS			
Sdn	6491	6556	6362
85 OLDS FIRENZA			
Sdn	4410	4455	4324
84 OLDS FIRENZA			
Sdn	3740	3778	3663
85 OLDS CIERA			
LS Coupe	5693	5751	5580
LS Sdn	5765	5823	5649
84 OLDS CIERA			
LS Cpe	4756	4805	4662
LS Sdn	4811	4859	4717
85 OLDS CALAIS			
Cpe	6174	6235	6051
85 OLDS CUTLASS SUPREME			
Cpe	6445	6510	6318
Sdn	6284	6346	6157
84 OLDS CUTLASS SUPREME			
Cpe	5338	5392	5231
Sdn	5198	5251	5096
85 OLDS DELTA 98			
Rgcy Sdn	8625	8710	8450
84 OLDS DELTA 98			
Rgcy Sdn	7347	7421	7201
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3324	3358	3258
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2650	2676	2600
85 PLYMOUTH RELIANT			
Sdn	3986	4029	3907
84 PLYMOUTH RELIANT			
Sdn	2934	2964	2876
85 PLYMOUTH CARAVELLE			
SE Sdn	4859	4906	4761
85 PLYMOUTH GRAN FURY			
Salon Sdn	4689	4732	4595
84 PLYMOUTH GRAN FURY			
Salon Sdn	[illegible]334	3670	3559
85 PONTIAC T-1000			
Sdn	3038	3069	2978
84 PONTIAC T-1000			
Sdn	2446	2471	2398
85 PONTIAC SUNBIRD			
Sdn	4374	4418	4286
84 PONTIAC SUNBIRD			
Sdn	3576	3613	3505
85 PONTIAC 6000			
Sdn	5461	5517	5353
84 PONTIAC 6000			
Sdn	4310	4354	4222
85 PONTIAC GRAND AM			
Cpe	6135	6198	6014
85 PONTIAC FIREBIRD			
Cpe	6512	6575	6382
84 PONTIAC FIREBIRD			
Cpe	5400	5456	5293
85 PONTIAC BONNEVILLE			
Sdn	5758	5816	5642
84 PONTIAC BONNEVILLE			
Sdn	4606	4651	4516
85 PONTIAC GRAND PRIX			
Cpe	6337	6402	6212
84 PONTIAC GRAND PRIX			
Cpe	5249	5304	5145
85 PONTIAC PARISIENNE			
Sdn	6833	6899	6696
84 PONTIAC PARISIENNE			
Sdn	5498	5551	5385
85 NISSAN SENTRA			
Std Sdn 2 Dr	3282	3315	3217
85 NISSAN STANZA			
XE Htchbk 4 Dr	5018	5069	4917
85 NISSAN MAXIMA			
SE Sdn	8678	8765	8504
84 NISSAN SENTRA			
Std Sdn 2 Dr	2584	2609	2532
84 NISSAN STANZA			
XE Htchbk 4 Dr	4041	4084	3961
84 NISSAN MAXIMA			
GL Sdn	6665	6732	6532
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4994	5043	4895
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	6682	6750	6548
85 TOYOTA CRESSIDA			
Sdn	9696	9792	9503
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	3910	3948	3832
84 TOYOTA CAMRY			
Sdn	5461	5516	5352
84 TOYOTA CRESSIDA			
Sdn	7599	7677	7449
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5839	5896	5720
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4367	4410	4279

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City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	149.9	134.4
Little Rock, AR	123.5	89.9
Flagstaff, AZ	141.9	113.4
Pasadena, CA	119.9	87.9
New London, CT	115.4	111.9
Cedar Rapids, IA	111.0	94.0
Baton Rouge, LA	133.4	96.4
St. Paul, MN	127.9	102.7
Charlotte, NC	136.4	90.9
Las Vegas, NV	116.9	89.9
Brooklyn, NY	111.9	97.9
Portland, OR	103.6	N/A
Memphis, TN	130.6	96.9
Dallas, TX	134.2	93.7
Milwaukee, WI	120.8	99.0

Survey conducted during the first five working days of October 1987.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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december 1987

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

SPECIAL LIGHT-TRUCK ISSUE

'88 Trucks, Statistics, and Specs

- Auxiliary Equipment
- Vehicle Security
- Shuttlebus Showcase
- Vendor Directory

automotive
FLEET®
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

DECEMBER 1987
VOL. 27, NO. 2

Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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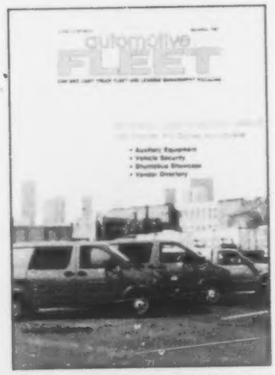

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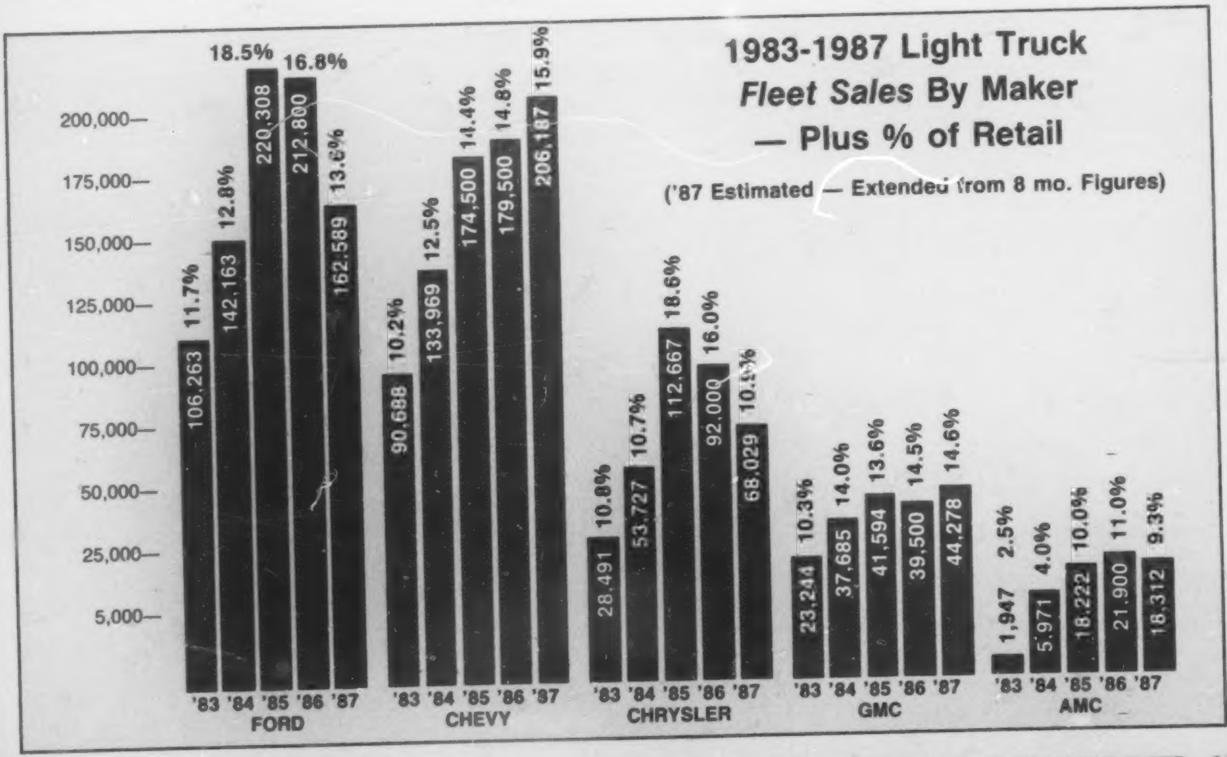
U.S. Light Truck Statistics

New 1979 to 1987 Light Truck Registrations Reported
Class I, II & III National and Fleet Totals
Calendar Year

Source: Automotive Fleet Research Dept.

MAKE	1979	1980	1981	1982	1983	1984	1985	1986	1ST 8 MOS. 1987
Total Fleet *% Fleet*	4,065,190 558,430 *13.7*	2,749,051 435,910 *15.8*	1,926,887 294,475 *15.3*	2,237,843 317,017 *14.2*	2,799,636 294,633 *10.5*	3,793,798 455,742 *8.3*	4,391,588 670,801 *6.5*	4,600,000 630,107 *7.3*	3,180,000 385,450 *8.3*
CHEVY	1,832,454 156,170 *8.52*	1,114,847 117,983 *10.58*	619,997 94,289 *15.2*	726,358 97,514 *13.4*	891,125 90,688 *10.2*	1,072,231 133,969 *12.5*	1,209,012 174,500 *14.4*	1,198,856 162,589 *13.6*	762,729 93,412 *12.2*
FORD	1,185,000 284,000 *24.00*	795,000 206,700 *26.00*	648,804 116,979 *18.00*	689,941 101,471 *14.7*	905,846 106,263 *11.7*	1,111,832 142,163 *12.8*	1,189,053 220,308 *18.5*	1,296,181 206,187 *15.9*	922,477 130,131 *14.1*
GMC	236,750 30,591 *12.92*	141,744 23,498 *16.57*	128,615 21,531 *16.7*	186,257 23,772 *12.8*	224,718 23,244 *10.3*	268,858 37,685 *14.0*	309,125 43,403 *14.0*	304,133 44,278 *14.6*	168,591 25,013 *14.8*
DODGE & PLYMOUTH	400,945 48,794 *12.16*	347,138 52,731 *15.90*	181,308 29,930 *16.50*	228,232 29,078 *12.7*	263,687 28,491 *10.8*	503,967 53,727 *10.7*	606,388 112,677 *18.6*	596,159 65,029 *10.9*	480,425 68,164 *14.2*
AMC/JEEP	140,431 20,875 *14.86*	77,852 11,498 *14.76*	58,257 3,246 *5.60*	62,097 3,816 *6.1*	76,453 1,947 *2.5*	148,040 5,971 *4.0*	181,939 18,222 *10.0*	195,973 18,312 *9.3*	125,534 10,730 *8.6*
OTHER Inc. VW, Imports, etc.	258,017 18,000 *7.0*	294,529 23,500 *8.0*	317,250 28,500 *9.0*	344,958 34,500 *10.0*	437,797 44,000 *10.0*	687,074 75,500 *11.0*	784,013 103,500 *13.2*	1,008,693 133,712 *13.0*	720,244 58,000 *8.1*



1983-1987 Light Truck *Fleet Sales* By Maker — Plus % of Retail

('87 Estimated — Extended from 8 mo. Figures)

Import Light Truck Market Statistics

New 1979 to 1987 Light Truck Sales/Registrations Reported
Class I, II & III National and Fleet Totals
Calendar Year

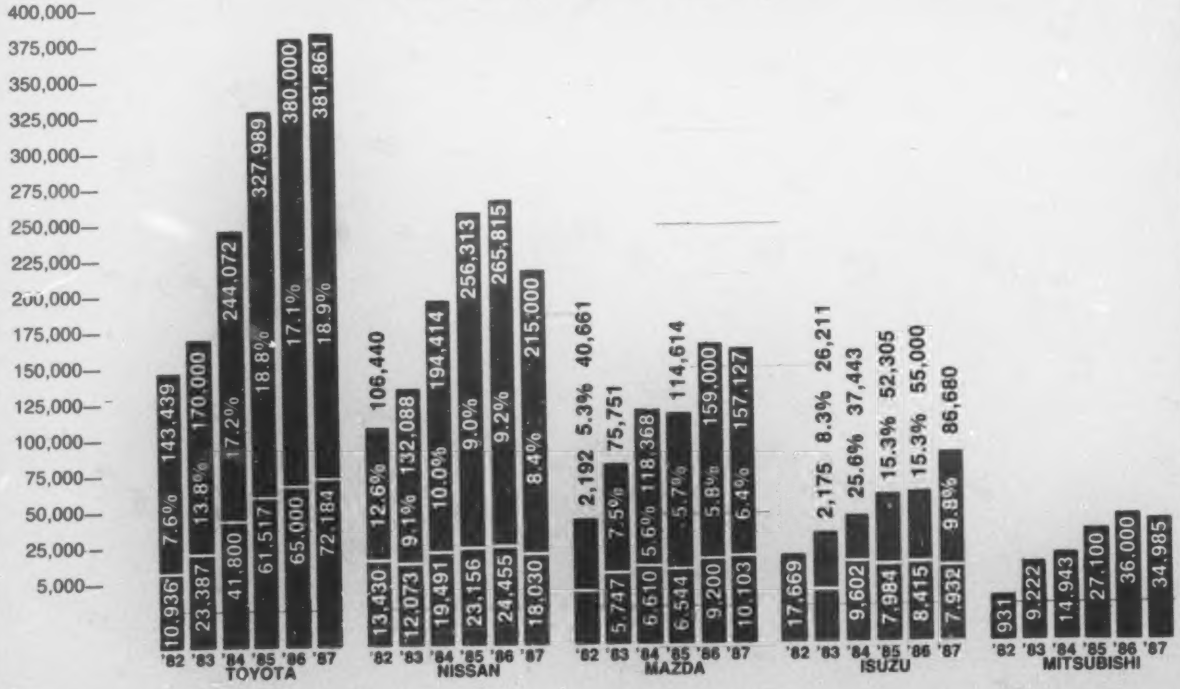
Source: Automotive Fleet Research Dept.

MAKE	1979	1980	1981	1982	1983	1984	1985	1986	1ST 9 MOS. 1987
TOYOTA									
Total	130,648	131,648	130,379	143,439	170,000	244,072	327,989	381,861	236,574
Fleet	4,620	14,624	9,413	10,936	23,387	41,860	61,517	72,184	23,493
% Fleet	*3.53*	*11.1*	*7.2*	*7.6*	*13.8*	*17.2*	*18.8*	*18.9*	9.9
NISSAN	104,866	113,242	119,684	106,440	132,0888	194,414	256,313	215,000	135,000
	6,046	8,045	6,184	13,430	12,073	19,491	23,156	18,030	13,500
	5.76	*7.10*	*5.50*	*12.6*	*9.1*	*10.0*	*9.0*	*8.4*	*10.0*
MAZDA	8,302	8,775	16,798	40,661	75,751	118,368	114,614	157,127	100,701
				2,192	5,747	6,610	6,544	10,103	6,042
				5.3	7.5	5.6	5.7	*6.4*	5.9
AMERICAN ISUZU			9,959	17,669	26,211	37,443	52,305	86,680	69,193
					2,175	9,602	7,984	7,932	6,356
					8.3	*25.6*	*15.3*	*9.2*	*9.2*
MITSUBISHI				931	9,222	14,943	27,100	34,985	38,270
IVECO				1,669	1,679	2,106	1,948	1,411	941
ISUZU TRUCK (Class III)						—	2,526	5,008	4,199

*Estimated

1982-1987 Total Light Truck Sales & Fleet Sales for Major Imports

('87 Estimated from 9 mo. Figures)



Classes I, II, & III Trucks — by Vocation & Mileage

Class I

Fleet Size		Agriculture	Forest/Lumber	Construction	Contractor	Manufacturing	Wholesale
10 -24	No.Trucks	4,641	831	8,506	6,441	2,620	6,936
	No. Miles	26,069,974	5,047,953	67,013,390	61,705,949	26,780,757	128,739,141
	Avg. Miles/Truck	5,617	6,075	7,878	9,580	10,222	18,561
25 -99	No. Trucks	1,602	343	6,211	2,741	2,007	5,236
	No. Miles	22,309,125	4,693,793	57,462,922	30,370,970	26,766,382	83,321,271
	Avg. Miles/Trucks	13,926	13,685	9,252	11,080	13,337	15,913
100 - 499	No. Trucks	382	182	2,729	1,056	826	1,458
	No. Miles	1,891,711	1,434,993	33,488,424	8,715,061	9,726,981	19,424,612
	Avg. Miles/Trucks	4,952	7,885	12,271	8,253	11,776	13,323
500 and over	No. Trucks	130	53	207	—	80	—
	No. Miles	1,183,595	1,328,000	2,203,210	—	2,012,250	—
	Avg. Miles/Trucks	9,105	25,057	10,644	—	25,153	—

Class II

10 - 24	No. Trucks	35,330	724	35,799	37,902	8,657	21,703
	No. Miles	314,015,181	7,741,521	381,092,355	387,868,515	81,690,347	394,863,791
	Avg. Miles/Trucks	8,888	10,693	10,645	10,233	9,436	18,194
25 - 99	No. Trucks	10,269	737	12,732	11,133	10,342	20,565
	No. Miles	193,084,960	8,436,695	163,669,251	115,342,635	92,860,567	340,598,529
	Avg. Miles/Trucks	18,803	11,447	12,855	10,360	8,979	16,562
100 - 499	No. Trucks	4,722	3,369	2,782	6,036	10,824	6,870
	No. Miles	56,096,010	37,649,417	27,133,818	70,034,354	149,445,396	113,929,877
	Avg. Miles/Trucks	11,880	11,175	9,753	11,603	13,807	16,584
500 and over	No. Trucks	260	—	104	—	—	359
	No. Miles	3,043,997	—	212,042	—	—	8,469,468
	Avg. Miles/Trucks	11,708	—	2,039	—	—	23,592

Class III

10 - 14	No. Trucks	67,665	4,073	79,884	120,664	24,778	29,028
	No. Miles	687,448,905	85,172,030	1,309,118,622	1,645,751,178	304,001,964	404,969,304
	Avg. Miles/Trucks	10,160	20,911	16,388	13,639	12,269	13,951
25 - 99	No. Trucks	20,031	6,844	62,063	66,546	18,993	32,992
	No. Miles	395,167,112	119,340,800	776,982,748	1,007,781,973	200,458,582	698,456,635
	Avg. Miles/Trucks	19,728	17,437	12,519	15,144	10,554	21,170
100 - 499	No. Trucks	4,545	—	17,758	22,737	4,365	3,592
	No. Miles	38,198,741	—	385,365,237	230,035,132	118,366,207	54,721,049
	Avg. Miles/Trucks	8,405	--	21,701	10,117	27,117	15,234
500 and over	No. Trucks	247	—	—	107	—	—
	No. Miles	870,764	—	—	2,131,400	—	—
	Avg. Miles/Trucks	3,525	—	—	19,920	—	—

Total — Class I, II, III

No. Trucks	**149,824**	**17,156**	**228,775**	**275,363**	**83,492**	**128,739**
No. Miles (000)	**1,739,380**	**270,845**	**3,203,742**	**3,559,737**	**1,012,109,433**	**2,247,494**
Avg. Miles/Trucks	**11,609**	**15,787**	**14,004**	**12,927**	**12,122**	**17,458**

Operating in U.S. Fleets as of 1/1/87 (Excl. Gov't)

Retail	Personal Services	Utilities	Mining	Daily Rental	For Hire	Other (Vocation not yet identified)	Total
Class I							
5,338	3,743	3,318	2,114	892	4,446	(286,000)	49,826
86,703,155	41,361,851	28,943,232	21,883,772	10,108,350	73,975,119	—	578,332,643
16,243	11,050	8,723	10,352	11,332	16,639	—	11,607
3,161	2,896	9,663	1,088	526	6,456	—	41,930
46,031,954	39,395,186	75,077,028	14,635,904	4,276,110	103,445,664	—	507,786,309
14,562	13,603	7,770	13,452	8,129	16,023	—	12,110
771	5,472	3,725	521	689	3,936	—	21,747
14,434,511	53,952,766	30,899,406	7,100,752	8,729,803	50,123,148	—	239,922,168
18,722	9,860	8,295	13,629	12,670	12,735	—	11,032
208	159	2,731	100	68	4,570	—	8,306
4,021,498	1,479,794	27,450,375	120,384	880,525	60,538,378	—	101,218,009
19,334	9,307	10,051	1,204	12,949	13,247	—	12,186
Class II							
14,582	6,708	15,582	10,337	2,588	12,084	(84,000)	201,996
243,949,017	73,270,750	227,907,158	215,665,315	33,177,248	385,455,635	—	2,746,696,833
16,729	10,923	14,626	20,863	12,820	31,898	—	13,597
8,350	19,839	38,161	14,592	2,626	7,535	—	156,881
109,470,463	350,751,242	342,157,591	489,335,210	43,164,152	173,001,585	—	2,421,872,880
13,110	17,680	8,966	33,534	16,437	22,960	—	15,438
2,582	9,915	17,043	1,300	1,514	12,409	—	79,366
33,889,903	169,824,190	168,457,625	26,646,053	21,359,833	169,448,632	—	1,043,915,108
13,125	17,128	9,884	20,497	14,108	13,665	—	13,153
311	671	11,456	444	24,759	3,498	—	41,862
5,188,671	9,844,348	99,653,871	3,231,510	238,031,971	77,726,658	—	445,402,536
16,684	14,671	8,699	7,278	9,614	22,220	—	10,640
Class III							
23,017	48,754	47,965	13,745	4,596	13,239	—	477,408
282,876,777	525,619,358	645,013,168	241,934,982	85,083,553	239,718,598	—	6,456,708,439
12,290	10,781	13,448	17,602	18,513	18,107	—	13,525
19,106	54,328	84,887	10,427	2,274	319	—	378,810
283,698,652	1,039,130,646	1,080,180,244	203,928,164	40,040,350	4,228,840	—	5,849,394,746
14,849	19,127	12,725	19,558	17,608	13,257	—	15,442
4,706	337	73,965	1,763	4,342	2,196	—	140,306
65,811,331	5,341,268	796,404,981	13,662,948	105,462,868	22,224,267	—	1,835,594,029
13,985	15,849	10,767	7,750	24,289	10,120	—	13,083
—	137	30,344	—	888	—	—	31,723
—	273,220	347,389,370	—	8,348,450	—	—	359,013,204
—	1,994	11,448	—	9,401	—	—	11,317
Total — Class I, II, III							
82,132	**152,959**	**338,840**	**56,431**	**45,762**	**70,688**	**(370,000)**	**1,630,161**
1,176,076	**2,310,245**	**3,869,534**	**1,238,145**	**598,663**	**1,359,886**	**—**	**22,603,401**
14,319	**15,104**	**11,420**	**21,941**	**13,082**	**19,238**	**—**	**13,847**

Light Truck/Van Sales Statistics

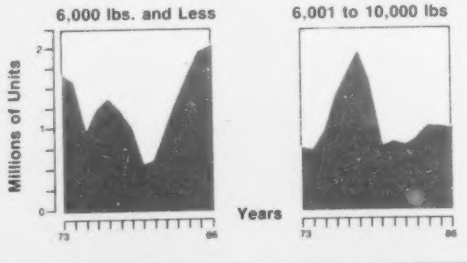
Retail Sales of New Truck by Franchised Dealers

Gross Vehicle Weight	1981	1982	1983	1984	1985	1986
0-6000 lbs.						
Utility	36,389	50,735	253,823	369,883	428,656	382,231
Car-Type Pickup	37,080	25,305	26,170	25,699	24,420	24,050
Compact Pickup Domestic	59,431	359,177	433,167	560,378	625,358	678,585
Compact Pickup Import	159,551	95,277	55,143	52,894	70,317	78,706
Van	74,983	74,546	67,299	121,374	114,919	112,429
Mini Van	—	—	18	23,727	103,237	110,072
Conventional Pickup (Incl. extended & crew cabs)	520,180	485,977	445,370	632,401	644,367	582,140
Station Wagon (Truck Chassis)	—	—	8,394	61,623	85,591	97,655
Mini Passenger Carrier	—	—	8,174	168,774	300,963	459,721
Passenger Carrier	8,333	10,608	16,364	14,250	10,623	10,771
Total 0-6000 lbs.	**895,947**	**1,101,625**	**1,313,922**	**2,031,003**	**2,408,451**	**2,536,360**
6,0001-10,000 lbs.						
Utility	70,938	76,457	84,493	103,258	107,790	100,880
Van	168,469	207,466	311,207	264,997	261,050	261,194
Van Cutaway Chassis	21,662	30,951	45,228	54,954	56,122	51,085
Conventional Pickup (Incl. extended & crew cabs)	468,730	484,909	573,918	572,595	628,265	582,293
Station Wagon (Truck Chassis)	37,564	54,517	68,844	86,056	94,603	98,461
Passenger Carrier	56,964	74,992	76,985	84,838	86,765	76,052
Multi-Stop	25,622	31,771	45,924	57,540	45,620	43,699
Total 6,0001—10,000 lbs.	**849,949**	**961,063**	**1,206,599**	**1,224,238**	**1,280,215**	**1,213,664**
10,001-14,000 lbs.	**748**	**1,062**	**145**	**6,019**	**10,854**	**11,558**

U.S. Truck and Bus Factory Sales by Body Type

	1980	1981	1982	1983	1984	1985	1986
Under 10,000 G.V.W.							
Pickup	931,093	933,809	1,141,050	1,278,099	1,494,770	1,461,914	1,579,563
Compact or Passenger							
Car Type	70,456	137,766	445,082	500,827	511,558	575,253	650,368
Conventional	860,637	796,043	695,968	777,272	983,212	886,661	929,195
Multi-Stop	20,966	28,637	32,036	47,465	62,984	44,898	46,149
Van	131,346	177,497	192,681	284,607	343,841	401,089	407,215
Station Wagon (on Truck Chassis)	60,634	65,895	88,418	117,931	214,269	240,806	240,141
Passenger Carrier	39,273	37,227	47,066	44,135	54,991	153,741	317,637
General Utility	126,687	136,810	153,230	396,718	507,431	550,997	439,786
Other	76,524	65,528	67,066	50,938	90,969	192,565	97,655
Total Under 10,000 lbs. G.V.W.	**1,386,523**	**1,445,403**	**1,721,547**	**2,219,893**	**2,769,275**	**3,045,990**	**3,128,146**

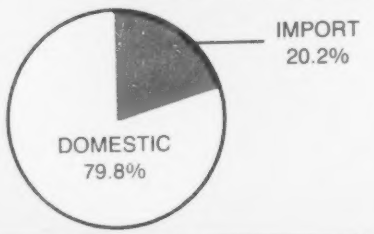
ANNUAL TRUCK FACTORY SALES BY GROSS VEHICLE WEIGHT


6,000 lbs. and Less

6,001 to 10,000 lbs

U.S. RETAIL SALES OF TRUCKS

LIGHT-DUTY 0-14,000 lbs.

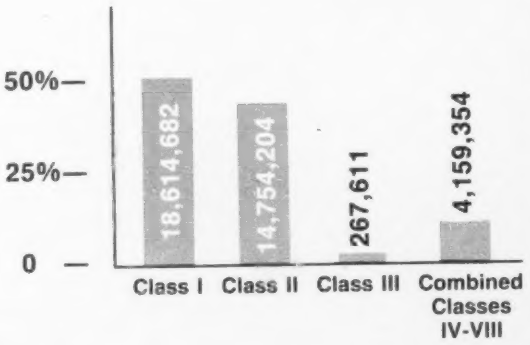


U.S. Factory Sales of Diesel Trucks by Gross Vehicle Weight, Pounds

TOTAL	6,000 & Less	6,001-10,000	10,001-14,000	Total Class I, II & III
1986	11,370	107,385	—	118,755
1985	15,447	132,871	5,870	154,188
1984	17,329	128,925	—	148,254
1983	26,355	93,453	—	119,808
1982	47,973	74,929	—	122,902
1981	52,487	20,862	—	73,349
1980	72,501	4,973	—	77,474
1979	33,019	950	—	33,969

Source: Motor Vehicle Manufacturers Assn. (MVMA)

U.S. Factory Truck Sales by GVW as Combined for years 1972-1986



Note: Classes I, II & III combined account for 89.0% for this period.

Source: Automotive Fleet Research Dept.

Characteristics of Truck Owned (In Thousands)

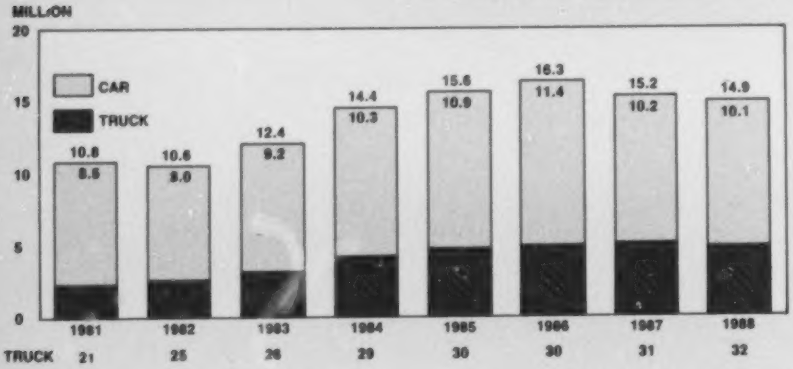
Characteristic	Total Trucks Number	Total Trucks Percent	10,000 Or Less Lbs. GVW
MAJOR USE			
Agriculture	4,248.8	16.2%	3,269.8
Forestry	217.5	0.8	111.8
Mining	139.0	0.5	70.2
Construction	1,764.9	6.7	1,237.9
Manufacturing	368.5	1.4	174.4
Wholesale and Retail Trade	2,007.9	7.7	1,252.2
For Hire (1)	653.8	2.5	104.0
Personal Transportation	14,260.6	54.4	14,108.1
Utilities	481.2	1.8	361.8
Services	1,641.3	6.3	1,371.4
All Other (2)	429.6	1.6	333.3
BODY TYPE			
Pickup, Panel, Multi Stop, or Walk-in	22,151.0	84.5%	21,714.9
Platform (3)	1,278.2	4.9	269.4
Platform With Added Device	333.1	1.3	66.3
Cattlerack	168.0	0.6	50.6
Insulated Nonrefrigerated Van	58.0	0.2	2.9
Insulated Refrigerated Van	150.5	0.6	6.1
Furniture Van	117.6	0.5	16.8
Open Top Van	30.0	0.1	2.2
All Other Vans	531.3	2.0	15.7
Beverage Truck	67.9	0.3	.6
Utility Truck	200.7	0.8	106.6
Garbage and Refuse Collector	50.7	0.2	1.2
Winch or Crane	92.9	0.4	23.3
Wrecker	101.2	0.4	68.6
Pole and Logging	60.0	0.2	2.0
Auto Transport	15.1	0.1	.9
Dump Truck	452.0	1.7	31.8
Tank Truck for Liquids	236.9	0.9	7.0
Tank Truck for Dry Bulk	34.8	0.1	—
Concrete Mixer	56.0	0.2	—
All Other (4)	27.1	0.1	8.0
ANNUAL MILES			
Less Than 5,000 Miles	6,279.7	24.0%	5,083.7
5,000 to 9,999 Miles	6,297.9	24.0	5,616.6
10,000 to 19,999 Miles	9,690.6	37.0	8,851.2
20,000 to 29,000 Miles	2,407.7	9.2	2,045.4
30,000 to 49,999 Miles	980.1	3.7	677.1
50,000 to 74,999 Miles	291.5	1.1	92.8
75,000 Miles or More	265.7	1.0	28.1
ACQUISITION			
Purchased New	12,482.7	47.6	10,490.1
Purchased Used	13,113.2	50.0	11,416.6
Leased and Not Reported (5)	617.3	2.4	488.3
TOTAL TRUCKS	**26,213.4**	—	**22,395.1**
TOTAL PERCENT	—	**100.0%**	**85.4**

(1) For-Hire includes for hire and daily rental.
(2) All Other includes other not in use and not reported.
(3) Platform includes low boy with depressed center and other platform.
(4) All Other includes other and not reported, boat transport and mobile home puller.
(5) Leased from someone else and not reported were added together.

SOURCE: U.S. Bureau of the Census. *1977 Census of Transportation, Truck Inventory and Use Survey.*

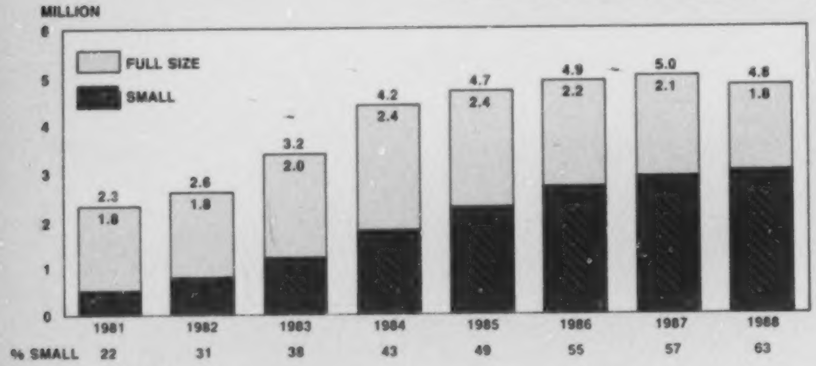
U.S. Light Truck Statistics

Total Industry Sales
1981-1987 CY & Projected



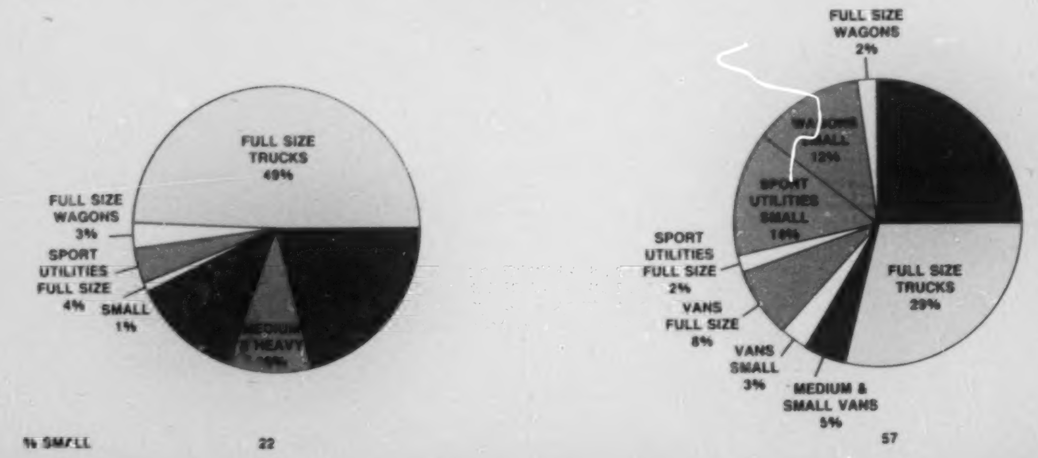
Trucks have been on the increase since 1981 — going from 2.3 million and only 21% of the industry to the all time record of 5.0 million and 31% of the industry in 1987.

Truck Industry Sales
1981-1987 CY & Projected



In 1981, only 500,000 small trucks were sold for 22% of the market. In contrast, 1987 saw 2.9 million small trucks sold for 63% of the market. For the first time the small trucks represented more than 60% of the market. These 2.9 million small trucks were more than the entire truck market in both 1982 and 1983. In 1988 look for small truck sales of 3.0 million for 63% of the market. Full-size trucks haven't disappeared. Sales climbed from 1.8 million in 1981 to 2.1 million in 1987.

1981 CY Truck Market 1987 CY



Top Twenty-Five Business/Commercial Light-Truck & Van Fleets

— Only Classes I, II & III Combined —

'87	'86	Company	Contact	# of Lt. Trucks & Vans
1	**2**	**Federal Express Corp. Memphis, TN**	**Jim Wheeler**	**15,976**
2	1	Sears, Roebuck & Co. Chicago, IL	William H. Jones III	13,800
3	**3**	**Frito-Lay, Inc. Dallas, TX**	**Thomas L. Smith**	**12,500**
4	4	Continental Baking Co. St. Louis, MO	Paul J. Walsh	8,680
5	**5**	**Xerox Corporation Rochester, NY**	**Ron Pink**	**5,492**
6	6	ARA Services Philadelphia, PA	Ralph Jamic	5,173
7	**—**	**CSX Transportation Jacksonville, FL**	**Robert C. Drury (Chessie/Seaboard merger)**	**4,885**
8	18	General Electric Maj. Appl., Louisville, KY	Vic Miska	4,644
9	**8**	**Allegheny Beverage Corp. Cheverly, MD**	**Jeff Mann Katherine Reynolds**	**4,250**
10	10	Union Pacific System Omaha, NE	T. J. Oliveri	4,074
11	**9**	**Interstate Brands Corp. Kansas City, MO**	**David Wiseman**	**4,018**
12	7	Purolator Service, Inc. New Hyde Park, NJ	Ron Yavorka	3,500
13	**15**	**Union Carbide Corp. Danbury, CT**	**Walt Dzitko**	**3,400**
14	11	Shell Oil Company Houston, TX	Eunice Stigall	3,395
15	**12**	**Rollins, Inc. Atlanta, GA**	**Bob Holloman**	**3,350**
16	13	Goodyear Akron, OH	A. P. Spencer	3,291
17	**24**	**Tenneco, Inc. Houston, TX**	**J. R. "Jack" Gudelman**	**3,000**
18	17	AMOCO Chicago, IL	Richard Swanson	2,900
19	**22**	**Exxon Co. USA Houston, TX**	**John Dewees**	**2,800**
20	19	Westinghouse Pittsburgh, PA	Lou Dobak	2,780
21	**20**	**Honeywell Minneapolis, MN**	**Connie Wesley**	**2,750**
22	21	Burlington Northern RR St. Paul, MN	John Long	2,700
23	**14**	**Canteen Corp. Chicago, IL**	**Mark Klein**	**2,638**
24	23	Ashland Oil, Inc. Ashland, KY	Bill Bloss	2,594
25	**25**	**American Bakeries Charlotte, NC**	**R. G. Kearns**	**2,540**

Source: *Automotive Fleet* Research Department

NOTE: United Parcel Svc., Inc., Greenwich, CT; Hertz-Penske, Parsippany, NJ; and Ryder Truck Rental, Miami, FL may qualify but breakdown of light trucks not available.

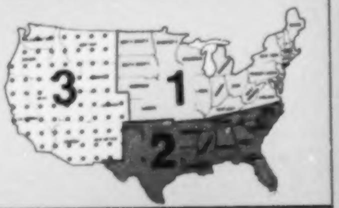
Top Twenty-Five Utility Light-Truck & Van Fleets

'87	'86	Company	Contact	# of Lt. Trucks & Vans
1	1	Bell South Services, Inc. Atlanta, GA	Larry Ross	18,000
2	2	Southwestern Bell St. Louis, MO	Elizabeth Towns	15,153
3	—	Bell South Services Birmingham, AL	David Walker	13,000
4	3	Pacific Bell San Francisco, CA	Roger Weaver	8,761
5	7	New York Telephone Brooklyn, NY	Lindsay Payne	6,526
6	4	Pacific Gas & Electric San Francisco, CA	E. J. Hilden	6,505
7	5	General Telephone of California, Pomona, CA	Darryl Meekhof	5,828
8	8	Mountain Bell Denver, CO	Scott Madsen	5,271
9	6	Continental Telephone Atlanta, GA	George Weimer	4,728
10	—	Illinois Bell Chicago, IL	David Fickenscher	3,582
11	—	So. California Gas Co. Los Angeles, CA	Donald Spangler	3,579
12	9	General Telephone of Southwest, San Angelo, TX	John Riordan	2,994
13	11	So. California Edison Pomona, CA	Dennis Stewart	2,900
14	10	American Electric Power Columbus, OH	Dick Stage	2,654
15	14	General Telephone Co. of Florida, Tampa, FL	Douglas L. Carr	2,519
16	12	Bell Tel. & Diamond State Tel., Philadelphia, PA	Robert Fisher	2,455
17	13	New England Tel. & Tel. Boston, MA	Bruce Dickey	2,400
18	20	Columbia Gas Dist. Co. Columbus, OH	Timothy L. Weber	2,350
19	15	Pacific N.W. Bell Seattle, WA	Mike Harris	2,297
20	—	Duke Power Co. Charlotte, NC	Kelly Duke	2,000
21	16	Consumers Power Co. Jackson, MI	John Schafer	1,871
22	17	SNET New Haven, CT	G. Welker	1,830
23	—	Niagara Mohawk Syracuse, NY	Clayton Bealer	1,800
24	—	Georgia Power Atlanta, GA	Ray Davis	1,745
25	—	Public Service Elect. & Gas Co., Newark, NJ	A. T. Els	1,708

Source: *Automotive Fleet* Research Department

USED CARS

The following are average car prices ending November 4, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
85 AMC ALLIANCE			
Sdn 4 Dr L Series	3146	3178	3083
84 AMC ALLIANCE			
Sdn 4 Dr L Series	2430	2455	2382
85 AMC ENCORE			
Sdn 5-Dr S Series	3117	3148	3054
84 AMC ENCORE			
Sdn 5-Dr S Series	2446	2470	2397
85 BUICK SKYHAWK			
Cust Coupe	4241	4284	4157
Cust Sdn	4307	4350	4221
85 BUICK CENTURY			
Cust Sdn	5644	5700	5531
84 BUICK CENTURY			
Cust Sdn	4697	4743	4603
85 BUICK SKYLARK			
Cust Sdn	4255	4297	4169
84 BUICK SKYLARK			
Cust Sdn	3392	3426	3325
85 BUICK SOMERSET REGAL			
Coupe	6110	6172	5989
85 BUICK RIVIERA			
Coupe	9658	9754	9465
84 BUICK RIVIERA			
Coupe	8213	8295	8049
85 BUICK LE SABRE			
Cust Sdn	6941	7010	6802
Cust Cpe	6941	7010	6802
85 CADILLAC DE VILLE			
Cpe	10,297	10,400	10,091
Sdn	10,297	10,400	10,091
84 CADILLAC DE VILLE			
Cpe	7826	7904	7670
Sdn	7771	7848	7615
85 CADILLAC SEVILLE			
Sdn	14,167	14,308	13,884
84 CADILLAC SEVILLE			
Sdn	11,708	11,825	11,473
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2860	2889	2803
84 CHEVY CHEVETTE			
Htchbk 4 Dr	2203	2225	2159
85 CHEVY CAMARO			
Cpe	6245	6307	6120
84 CHEVY CAMARO			
Cpe	5210	5263	5106
85 CHEVY CAVALIER			
Sdn	4057	4098	3976
84 CHEVY CAVALIER			
Sdn	3261	3294	3196
85 CHEVY CELEBRITY			
Sdn	5098	5150	4997
84 CHEVY CELEBRITY			
Sdn	3937	4013	3894
85 CHEVY CAPRICE			
Sdn	6524	6589	6393
84 CHEVY CAPRICE			
Sdn	5216	5269	5112
85 CHRYSLER LE BARON			
Cpe	5266	5318	5161
Sdn	5299	5353	5194
84 CHRYSLER LE BARON			
Cpe	4181	4222	4098
Sdn	4181	4222	4098
85 CHRYSLER FIFTH AVENUE			
Sdn	8151	8232	7987
84 CHRYSLER FIFTH AVENUE			
Sdn	6809	6877	6673
85 DODGE OMNI			
Htchbk 4 Dr	3213	3246	3149
84 DODGE OMNI			
Htchbk 4 Dr	2540	2566	2489
85 DODGE ARIES			
Sdn	3867	3906	3789
84 DODGE ARIES			
Sdn	2850	2878	2792
85 DODGE DIPLOMAT			
Sln Sdn	4460	4504	4370
84 DODGE DIPLOMAT			
Sln Sdn	3435	3469	3366
85 DODGE LANCER			
Sdn	5211	5264	5107
85 DODGE 600			
Sdn	4833	4882	4737
84 DODGE 600			
Sdn	3652	3689	3579
85 FORD ESCORT			
Htchbk 4 Dr L Series	3393	3427	3325
84 FORD ESCORT			
Htchbk 4 Dr L Series	2663	2690	2610
85 FORD MUSTANG			
LX-4 Cpe	4885	4933	4787
84 FORD MUSTANG			
L-4 Cpe	3955	3995	3876
85 FORD TEMPO			
GL Sdn 2 Dr	4047	4088	3967
GL Sdn 4 Dr	4115	4157	4033
84 FORD TEMPO			
L Sdn 2 Dr	2678	2705	2625
L Sdn 4 Dr	2727	2755	2673
85 FORD LTD			
Sdn	4349	4393	4262
84 FORD LTD			
Sdn	3261	3294	3196
85 FORD CROWN VIC			
Sdn	7529	7604	7378
84 FORD CROWN VIC			
Sdn	3261	3294	3196
85 FORD THUNDERBIRD			
Cpe	6453	6517	6323
84 FORD THUNDERBIRD			
Cpe	5334	5388	5228
85 LINCOLN CONTINENTAL			
Sdn	12,792	12,920	12,536
Town Car Sdn	11,551	11,666	11,320
Mark VII Cpe	12,530	12,655	12,279
84 LINCOLN CONTINENTAL			
Sdn	9701	9798	9507
Town Car Sdn	8622	8708	8450
Mark VII Cpe			
85 MERCURY LYNX			
Htchbk 2 Dr	3225	3257	3160
84 MERCURY LYNX			
Htchbk 2 Dr	2533	2558	2482
85 MERCURY COUGAR			
Cpe LS	7142	7213	6999
84 MERCURY COUGAR			
Cpe LS	5896	5955	5778
85 MERCURY TOPAZ			
GS Sdn 4 Dr	4249	4292	4165
84 MERCURY TOPAZ			
GS Sdn 4 Dr	3259	3292	3194
85 MERCURY MARQUIS			
Sdn	4409	4454	4321
84 MERCURY MARQUIS			
Sdn	3317	3351	3251
85 MERCURY GRAND MARQUIS			
Sdn	7956	8036	7797
84 MERCURY GRAND MARQUIS			
Sdn	6395	6459	6267
85 OLDS FIRENZA			
Sdn	4283	4325	4197
84 OLDS FIRENZA			
Sdn	4283	4325	4197
85 OLDS CIERA			
LS Coupe	5569	5624	5458
LS Sdn	5639	5695	5526
84 OLDS CIERA			
LS Cpe	4652	4699	4559
LS Sdn	4705	4753	4611
85 OLDS CALAIS			
Cpe	6039	6099	5918
85 OLDS CUTLASS SUPREME			
Cpe	6304	6368	6179
Sdn	6147	6208	6024
84 OLDS CUTLASS SUPREME			
Cpe	5237	5290	5133
Sdn	5100	5151	4998
85 OLDS DELTA 98			
Rgcy Sdn	8454	8538	8284
84 OLDS DELTA 98			
Rgcy Sdn	7200	7273	7057
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3209	3242	3145
84 PLYMOUTH HORIZON			
Htchbk 4 Dr	2558	2584	2507
85 PLYMOUTH RELIANT			
Sdn	3848	3887	3772
84 PLYMOUTH RELIANT			
Sdn	2824	2853	2768
85 PLYMOUTH CARAVELLE			
SE Sdn	4715	4762	4620
85 PLYMOUTH GRAN FURY			
Salon Sdn	4587	4632	4495
84 PLYMOUTH GRAN FURY			
Salon Sdn	3555	3591	3484
85 PONTIAC T-1000			
Sdn	2919	2948	2860
84 PONTIAC T-1000			
Sdn	2350	2374	2303
85 PONTIAC SUNBIRD			
Sdn	4248	4291	4163
84 PONTIAC SUNBIRD			
Sdn	3462	3497	3393
85 PONTIAC 6000			
Sdn	5342	5395	5235
84 PONTIAC 6000			
Sdn	4207	4249	4123
85 PONTIAC GRAND AM			
Cpe	6073	6134	5952
85 PONTIAC FIREBIRD			
Cpe	6319	6383	6192
84 PONTIAC FIREBIRD			
Cpe	5240	5293	5135
85 PONTIAC BONNEVILLE			
Sdn	5615	5672	5503
84 PONTIAC BONNEVILLE			
Sdn	4482	4527	4393
85 PONTIAC GRAND PRIX			
Cpe	6218	6281	6094
84 PONTIAC GRAND PRIX			
Cpe	5150	5201	5046
85 PONTIAC PARISIENNE			
Sdn	6745	6813	6610
84 PONTIAC PARISIENNE			
Sdn	5248	5482	5319
85 NISSAN SENTRA			
Std Sdn 2 Dr	3233	3265	3169
85 NISSAN STANZA			
XE Htchbk 4 Dr	4943	4993	4843
85 NISSAN MAXIMA			
SE Sdn	8678	8765	8504
84 NISSAN SENTRA			
Std Sdn 2 Dr	2545	2570	2494
84 NISSAN STANZA			
XE Htchbk 4 Dr	3980	4023	3902
84 NISSAN MAXIMA			
GL Sdn	6565	6631	6434
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4894	4942	4797
85 TOYOTA CAMRY			
Sdn 4 Dr Dlx	6548	6615	6417
85 TOYOTA CRESSIDA			
Sdn	9551	9645	9360
84 TOYOTA COROLLA			
Sdn 4 Dr Dlx	3832	3869	3755
84 TOYOTA CAMRY			
Sdn	5352	5406	5245
84 TOYOTA CRESSIDA			
Sdn	7447	7523	7300
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5751	5808	5634
84 VOLKSWAGEN JETTA			
Sdn 4 Dr	4301	4344	4215

NEW PRODUCTS

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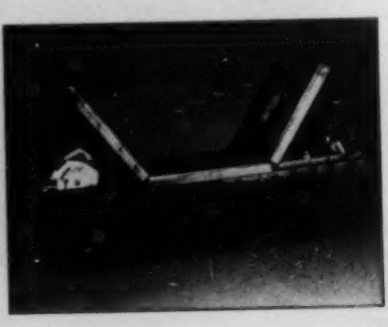

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GAS PRICES

UNLEADED

Cost Per Gallon Unleaded

City	Full-Serve	Self-Serve
Santa Ana, CA	147.9	89.9
Denver, CO	134.2	105.9
Washington, D.C.	138.3	100.2
Ft. Meyers, FL	123.4	94.9
Augusta, GA	121.9	88.2
Honolulu, HA	173.8	135.0
Chicago, IL	134.5	100.1
Boston, MA	109.9	100.6
Iron Mountain, MI	104.9	98.9
St. Louis, MO	122.0	91.8
Omaha, NB	127.2	102.2
Albuquerque, NM	123.9	107.9
Rochester, NY	100.9	93.9
Philadelphia, PA	115.2	93.1
Memphis, TN	129.9	92.2

Survey conducted during the first five working days of November 1987.
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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

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Retail and Bank Leasing

Operating Expense Survey

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BOBIT PUBLISHING

JANUARY 1988
VOL. 27, NO. 3
Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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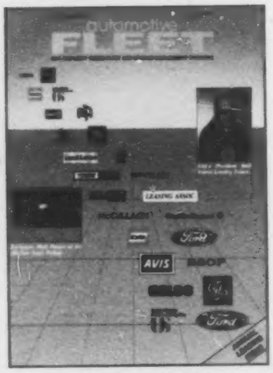

On the cover: Changes and consolidation made industry history last year. What will 1988 bring? AALA's Kolb has some answers.

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(12/31/87)

LEASING & RENTAL: Past Growth & Future Projections

LEASED SEGMENT	1975		1980		1985		1987		1990 (est.)	
	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.	Units	$ Rev.
(000) Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions
Business Fleets +25	1,666		1,968		2,150		2,175		2,300	
Other* Incl. Bus. Flts 4-24	512		524		550		580		600	
Retail or Individual	1,072		1,708		1,800		2,100		2,500	
Total Cars Fleet Leased	**3,250**	**$ 9,100**	**4,200**	**$18,900**	**4,500**	**$27,450**	**4,855**	**$30,000**	**5,400**	**$40,000**
Truck Leasing	735	$4,200	800	$7,300	878	$10,000	915	$11,000	930	$14,000
Total Vehicle Leasing	**3,985**	**$13,300**	**5,000**	**$26,200**	**5,374**	**$37,450**	**4,770**	**$41,000**	**6,330**	**$56,000**
RENTAL SEGMENT										
Car Rental	355	$ 1,400	500	$ 3,100	760	$ 6,000	800	$ 7,200	830	$ 8,000
Truck Rental (all G.V.Ws)	160	$ 1,000	175	$ 2,300	200	$ 3,400	212	$ 3,900	230	$ 4,600
Total Vehicle Rental	**515**	**$ 2,400**	**675**	**$ 5,400**	**960**	**$ 9,400**	**1,012**	**$11,100**	**1,060**	**$12,600**

**Other includes all 50+% non-personal use regardless of registration.*

SOURCE: Automotive Fleet Research Dept. — © Copyrighted 1987

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BUYER PROFILE

Who's buying which car in the private sector of the new-car market? A review of the statistics compiled by Ward's Auto Dealer *provides a look at America's car-buying public and some interesting insights for fleet professionals.*

Demographics of U.S. Car Buyers

The data presented below was compiled to gain information on people who buy cars in the United States and to illustrate who's buying what type of automobile at retail. The information, compiled by *Ward's Auto Dealer*, identifies car buyers by age, sex, marital status, education, and income. Interestingly, this information can be used to show how a first-time buyer can be upsold to upscale vehicles as an individual's income permits. Thus, a first-time buyer can be moved up the automobile product ladder. The concept has been successful for the Big Three automakers for some time. For example, in theory, a 36-year-old female making her first Ford purchase could afford an Escort, based on her $29,000-per-year income. As she advances in her career, she would become a likely candidate for a Tempo, then a Thunderbird, then a Taurus. By that time, she would be 39 years old and would have reached the $41,000-per-year income plateau.

The Chevrolet Celebrity, also popular among retail car buyers, was the top-selling fleet car last year. Here it is in 1988 Eurosport trim.

The question raised by *Ward's* is: Once in a Ford Taurus, where is the next step in the Ford product lineup? At GM, the GM10 cars fill such a void. For Chrysler, the step-up lines are based on the reliable K-body cars. What about the 38-year-old Buick Somerset buyer? When his income reaches $48,000, and he turns 40, does he stay with Buick products? At the same time, Chevrolet owners really have no place to climb in a model lineup that has 12 nameplates. Situations such as these offer cross-selling opportunities to dealers who, finding gaps in a competitor's lineup, can fill them with their own cars. These are some of the conclusions that can be drawn from the demographic data.

Studying these demographics provides insights into consumer buying habits and offers the fleet profesional the opportunity to reflect on today's market complexities.

Demographics of U.S. Car Buyers

Vehicle	Age	Percent Female	Percent Single	Percent College Degree	Average Income	Fleet Registrations (1986)	1988 Mfr's Suggested Retail Price	EPA Mileage Rating
Chrysler Motors Corp.								
Chrysler								
LeBaron	50	40	24	29	$33,700	11,047	$10,665	23
Fifth Avenue	65	22	12	23	$34,000	29,442	$17,243	16
Dodge								
Omni	46	44	30	31	$28,200	11,631	$ 5,999	24
600	50	40	24	29	$34,800	20,446	$12,971	24
Diplomat	62	15	10	21	$34,000	16,200	$13,384	16
Lancer	39	55	50	39	$38,000	11,718	$10,462	23
Plymouth								
Horizon	46	44	30	31	$28,200	12,905	$ 5,999	24
Reliant	43	36	22	33	$29,000	54,649	$ 6,995	23
Caravelle	50	40	24	29	$34,800	14,445	$10,659	23
Ford Motor Co.								
Ford								
Escort	36	48	33	35	$29,000	58,002	$ 6,949	25
Tempo	39	46	34	30	$29,000	56,615	$12,835	22
Thunderbird	39	37	33	N/A	$39,000	28,646	$10,413	19
Taurus	49	31	14	N/A	$41,000	41,303	$11,699	20
Mustang	31	48	57	N/A	$30,500	23,666	$ 8,723	26
Mercury								
Topaz	42	44	24	34	$32,000	15,454	$ 6,949	22
Cougar	36	48	30	37	$40,700	24,550	$14,143	19
Sable	49	45	11	51	$49,000	30,936	$14,145	19
Marquis	61	25	12	27	$36,800		$16,100	17
Lincoln								
Town Car	61	28	N/A	34	$53,000	32,488	$23,178	18
Mark VII	50	26	N/A	46	$68,000		$25,068	17
Merkur XR4Ti	35	14	47	70	$56,900		$18,259	N/A
Continental	59	37	N/A	44	$70,000		$26,078	21
General Motors Corp.								
Buick								
Somerset	38	55	50	40	$39,000	28,014	$10,654	22
Skylark	46	50	30	35	$38,000		$12,782	22
Century	54	35	20	40	$43,000	38,148	$11,689	22
Electra	56	25	10	40	$57,000	23,242	$17,460	19
Cadillac								
Deville	56	48	16	42	$60,000	26,736	$26,264	17
Chevrolet								
Nova	36	53	40	52	$36,000	16,196	$ 8,795	29
Cavalier	35	54	47	29	$32,000	87,751	$ 8,120	23
Celebrity	49	39	23	29	$35,000	118,074	$10,725	22
Monte Carlo	39	38	37	20	$40,000	11,619	$10,121	19
Camaro	30	44	52	35	$42,000	23,727	$13,490	22
Oldsmobile								
Calais	38	60	48	42	$42,800	20,771	$10,356	22
Cutlass Ciera	51	43	24	42	$43,800	66,405	$11,800	22
Cutlass Supreme	57	32	18	30	$39,400	40,321	$12,924	18
Delta 88	55	31	15	42	$47,900	19,109	$14,386	19
98	58	36	29	36	$56,100	38,420	$24,792	19
Pontiac								
Sunbird	34	66	52	36	$35,000	24,875	$ 8,499	23
Grand Am	34	67	43	39	$39,000	41,783	$10,569	23
Firebird	32	55	54	35	$44,000	12,307	$10,999	22
6000	45	56	16	43	$43,000	51,483	$11,199	22

RETAIL LEASING

The fastest-growing segment of the retail market for domestic vehicles is retail leasing. This market segment is explored in the following article written by Edward Stewart of GE Credit's Auto Financial Services Operation.

The Growing Popularity of Retail Leasing

Edward D. Stewart, vice president and general manager of GE Credit Corp's Auto Financial Services Operation (AFSO) based in Barrington, IL. AFSO maintains earning assets in excess of $2.9 billion.

Fleet leasing has been popular for decades among corporations eager to protect their cash flow and avoid the depreciation that car ownership ultimately brings. In recent years, consumers have taken a cue from corporate America and leased for the same reasons. Dealers have profited from this consumer trend.

By offering leasing to consumers, dealers have increased their profits by 40 percent in the past decade. According to the American Automotive Leasing Association, consumers leased nearly two million of the 11.4 million new cars delivered in the United States during 1986. This accounts for roughly 17 percent of the market, an encouraging change from 10 years ago when leasing accounted for only 12 percent. The Association claims that 20 percent of all cars on the road today are leased and predicts that level will rise to 25 percent by 1990.

What has stimulated leasing? The new tax laws have made leasing more attractive. Income tax deductions for sales taxes and the interest on car loans are being phased out. These changes, coupled with the escalating cost of new automobiles, have turned many dealers into lessors.

In 1987, approximately 31 percent of the nation's 25,150 auto dealers arranged leases for their customers. According to the Consumer Bankers Association, 53 percent of its member banks leased cars during 1987, up from 26 percent in 1983. At GE Credit Corp., the leases on our books have increased from 49,000 in 1983 to more than 166,000 in December 1987. We have all discovered the benefits of leasing.

As a result, financial institutions and dealers alike are selling leasing more effectively and more frequently today. At one time, leasing was not an integral part of a sales pitch for a new car. Many dealers lost prospects because they failed to offer leasing when financing became an issue. That's not the case any longer.

Now, there are leasing specialists at virtually every big dealership. Bob Navarre, vice president of Patrick Dealer Group in Chicago, instituted a mandatory policy — one leasing specialist for each make of car in all of Patrick's eight showrooms. Other dealers have similar policies.

Growth in leasing at dealerships is due to consumer demand. Public awareness of leasing has grown tremendously over the last few years. Now, dealers that are not prepared to present the advantages of leasing to customers are doing themselves a disservice. They are losing a sale that could be lucrative. According to Jerry Griffin, general manager of sales for Sewell Cadillac in Dallas, TX, leasing is as profitable as the conventional sale.

So why the delay in lease acceptance? John Fitch, executive director of AALA, says that dealers were slow in recognizing the value of leasing for two reasons. Dealers have been historically geared to sell. Leasing was a complicated new concept that many dealers failed to understand. Second, the general public was not aware of the advantages of leasing. Now, according to Fitch, consumers are asking dealers for a lease as their first option. Whether consumers ask for a lease or not, dealers have an arsenal of sales weapons to use that point out the benefits of leasing. They include:

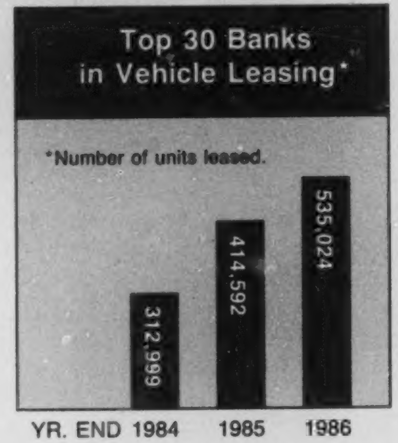
- The lower initial cost by requiring a security deposit, instead of a down payment, and lower monthly payments. A down payment on standard auto loans is usually 20 to 30 percent of the total loan package. At current auto prices, the consumer could be shelling out $3,000 to $4,000 just to drive home a new car. In a standard lease, the security deposit is typically equal to one month's payments, which averages between $300 to $400. In addition, in a lease, consumers can spread the sales tax out over several monthly payments.

- The ability to drive a luxury car that might not have been affordable with a conventional loan. With leasing, the customer is paying only for the use of the vehicle. For drivers who prefer to trade in cars every two to three years, leasing enables them to drive a late model, low-mileage vehicle. In fact, leasing several cars in a row could be cheaper than buying and trading frequently, since depreciation slashes trade-in value at such a great rate.

- For the small business person or entrepreneur, leases offer an off-balance-sheet liability. As a result, they do not use up credit lines.

Which Leases Sell Best?

The closed-end lease is the easiest method to sell, because it contains no risk to the consumer or the dealership. It benefits the dealer because the monthly payments are higher in a closed-end lease, while the customer receives a real savings by not being responsible for the residual value of the car. For most dealers, closed-end leases are replacing open-end leases at a quick pace. In fact, many dealers will offer an open-end lease now, if the customer requests it.



The balloon-note or flexible loan method is not popular yet, but will be in the years ahead, when dealers understand it better. Similar to an auto lease, a balloon loan requires no down payment and allows for lower monthly payments for a set initial period, usually three years. At the end of the lease, consumers pay a large "balloon" payment. This type of loan arrangement is ideal for customers who prefer the affordability of leasing but would rather own a car. Consumers have been reluctant to accept balloon-note programs, and it will take a concerted effort on the part of dealerships to educate consumers to their benefits.

Used-car leasing will continue to increase in popularity, particularly for higher-end cars, which cost considerably less to lease than to buy. However, market acceptance of used-car leasing is still at a low level because of the difficulty in training used-car personnel to sell leases.

Once consumers are sold on a specific lease option, there are state-of-the-art systems which can help close the deal. Now computers are available with software packages that enable salespeople to arrange a lease or loan tailored to the customer's budget. Companies such as Ford Motor Credit and GE Credit Corp. have recently started marketing these systems to dealers.

> *"...consumers leased nearly two million of the 11.4 million new cars delivered in the U.S. during 1986."*

These systems provide dealers with a full range of finance and insurance capabilities. The typical package immediately calculates sales terms and profitability to the dealer and assists in inventory control. These software packages also provide a lease documentation system that simplifies and calculates conditional sales contracts, leases, and deferred payment loans. The system quickly checks customers' credit records and gives credit approvals much faster than conventional methods.

Dealers have assistance every step of the way when offering leases. They have the benefits of leasing to use as "selling" tools. They have a variety of leasing options. They have computers to calculate packages. And they even have an efficient means of remarketing vehicles. When a car comes off lease, auto auctions that exist nationwide can be used to remarket vehicles. Many companies, including GE Credit, have entered the auction business to serve the needs of the auto industry. Auctions offer dealers, manufacturers, and lease companies the opportunity to buy and sell vehicles through open bidding, and allow them to get good rates on new and used automobiles. To provide an example of how often auctions are used, GE Credit alone is currently responsible for the sale of over 700,000 cars a year.

The more successful and astute dealerships have recognized that there is more than one way to "sell" an automobile. Leasing is proving to be one way that is both profitable and popular.

Edward D. Stewart is vice president and general manager of GE Credit Corp.s Auto Financial Services Operation (AFSO). Based in Barrington, IL, AFSO provides automotive finance and related services including including leasing, inventory financing, real estate financing, capital improvement loans, asset management services, and auto auctions. AFSO maintains earning assets in excess of $2.9 billion.

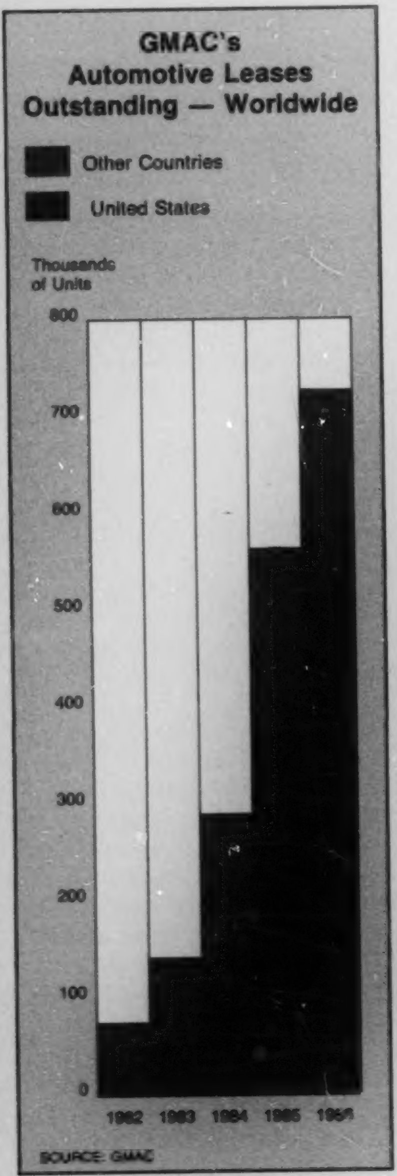


Figure 1.

Figure 1 illustrates GMAC's growth in automotive leases by units, worldwide and the U.S., between calendar years 1982 and 1986. Figure 2 shows the growth in the number of consumers that have leased vehicles between 1983 and 1986.

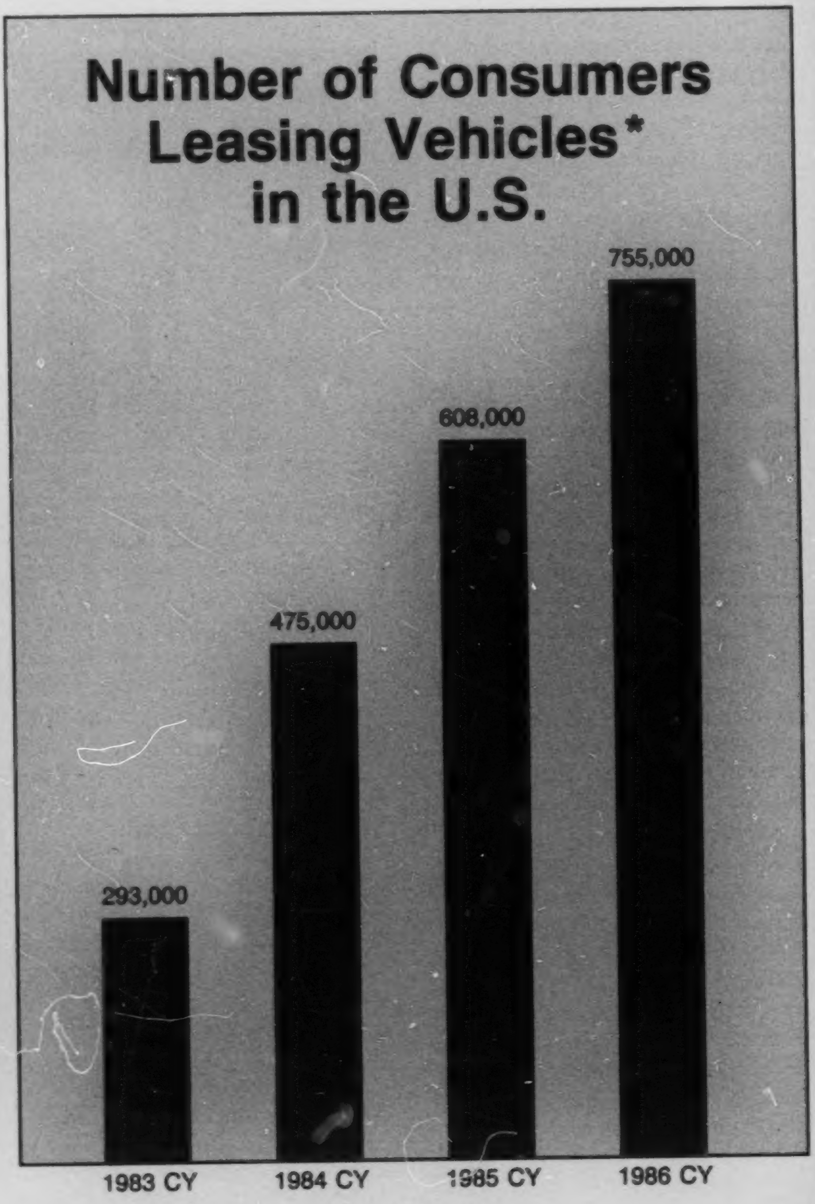


Figure 2.

*Excludes commercial leasing of passenger cars, which is defined as any vehicle whose total lease payments exceed $20,000.

Source: National Vehicle Leasing Association

Retail Leasing Among the Big 3

The fastest growing segment of the retail market for domestic vehicles is retail leasing. According to the National Vehicle Leasing Association, retail leasing for passenger cars grew 258 percent between 1983 and 1986. Most automobile manufacturers, through their captive finance companies, lease vehicles to consumers through programs such as GMAC's Direct Leasing Plan, Ford Motor Credit's Red Carpet Lease, and Chrysler Credit's Gold Key Lease plan. Among captive finance companies, GMAC has 561,949 vehicles on retail leases, Ford Motor Credit has 544,729, and Chrysler Credit has 151,550.

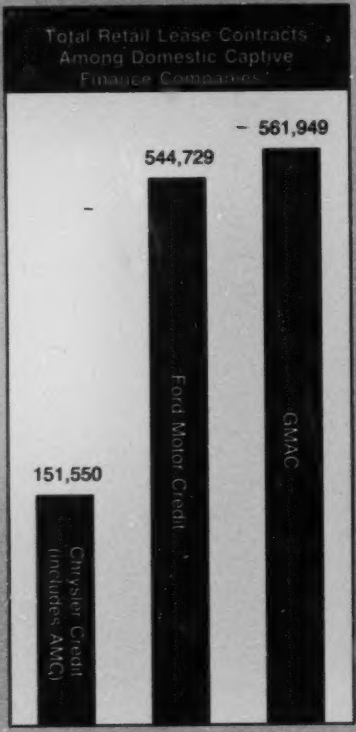
Retail leasing is an important source of business for automobile manufacturers, especially since 70 percent of the retail lessees become repeat customers, says Van Peck, manager of leasing and business development for Chrysler Credit Corp. This is supported by research conducted by Ford Motor Credit. This research proved that loyalty to Ford products, and to the dealer who initially delivered the new car, is much higher for customers who have leased cars rather than buying them. "This is because leasing develops a long-term relationship between the dealer and the lease customer," says Daniel Hand, a marketing analyst for the Retail Lease Financing Department of Ford Motor Credit. "Leasing presents an opportunity for repeat sales on a more frequent basis and makes it easier for customers to obtain the vehicles they want."

According to Peck, factory-financed retail leasing offers several advantages over banks and independent leasing companies. "Chrysler, Ford, or GM will do more things for their customers during depressed times than banks," says Peck. "We want to keep that customer. The average customer will stay with you for his motoring life if you treat him properly, as proven by a J.D. Power study."

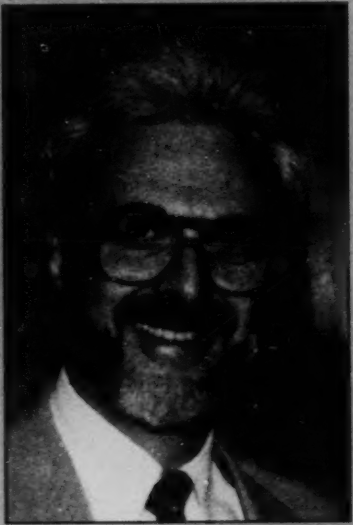
Predicting the future growth of retail leasing is a difficult task for industry participants. "It's hard to use a yardstick to measure growth since no one can accurately tell us what the marketplace will be like in the next three years," says Peck. "In a decreasing market, the opportunities for leasing will increase, versus a healthy market where a consumer can afford higher payments." One factor that will contribute to the growth of retail leasing is the phase-out of the interest deductions mandated by the Tax Reform Act of 1986. "Near-term, this will cause retail leasing to increase," says Peck.

Not only is it difficult predicting future growth, it is also difficult to determine the total number of vehicles currently on retail leases because of the multitude of entities offering retail leases and the fact that early termination of leases can run as high as 20 percent annually, says Bill Nerenberg, executive director of the National Vehicle Leasing Association.

Van Peck, manager of leasing and business development for Chrysler Credit.



*Includes all retail leases in North America as of Sept. 30, 1987.



Bill Nerenberg, executive director of the National Vehicle Leasing Association.

NAFA's annual survey of operating expenses reveals that fleet operating expenses, on the average, declined from 1985 to 1986. Last year, operating expenses totalled 6.61 cents per mile, while in 1985 they were 9.32 cents.

NAFA's 1987 Operating Expense Survey

Average operating expenses declined in 1986 after a sharp increase in 1985, according to the results of the Annual Operating Expense Survey conducted by the National Association of Fleet Administrators. In 1986, operating expenses totalled 6.61 cents per car per mile, while in 1985, the figure was 9.32 cents. Included in the 1986 total were per-car-per-mile average expenses of 4.3 cents for fuel, 0.17 cents for oil, 0.40 cents for tires and tire repairs, and 1.74 cents for repair and maintenance. All these average expenses decreased from the previous year.

Two major U.S. leasing companies that shared their operating expense figures with NAFA respectively put their totals at 4.37 and 4.13 cents for fuel; 0.10 and 0.12 cents for oil; 0.31 and 0.33 cents for tires and tire repairs; 1.42 and 1.58 cents for repair and maintenance, and total operating expenses of 6.20 and 6.16 cents.

Number of Vehicles in Fleets Reporting.
United States Fleets
102 Respondents

Company Owned	104,746
Leased	68,494
TOTAL	173,240
Mean Fleet Size	1,698
Median Fleet Size	724
Minimum Fleet Size	30
Maximum Fleet Size	11,034

Figure 1.

Composition of Responding U.S. Fleets

Subcompact	Compact	Mid-Size	Large	Trucks	Vans
4,270	34,948	77,331	9,600	36,124	8,599

U.S. vehicle total has 2,368 vehicles unaccounted for.

Figure 2.

Fleet Demographics

Responding to the 1987 Operating Expense Survey were 102 fleets in the U.S. responsible for 173,240 vehicles, of which 104,746 are company-owned and 68,494 are leased. According to NAFA, publication of this report was delayed to permit a more representative response and, consequently, the survey represents more fleets and more vehicles than in previous years.

The most prevalent types of vehicles in the responding fleets were mid-sized cars (77,331), followed by light-duty trucks (36,124) and compact cars (34,948). Responding fleets said they also had 9,600 large cars, 8,599 minivans, and 4,270 subcompact cars. There were 2,368 vehicles included in the survey that respondents did not classify in any of the above categories.

The mean (total number of vehicles divided by the number of respondents) fleet size of those included in the survey was 1,698 units, while the median (the number which, when all answers are listed from high to low, has exactly 50 percent above and below it) fleet size was 724. The largest fleet responding had 11,034 vehicles, and the smallest had 30 vehicles.

The average (mean) vehicle in this survey was driven 2,044 miles each month; 1,735 miles for business and 309 for personal use. The median vehicle had 2,019 miles put on it each month; 1,719 for business and 300 for personal use.

Total incidental expenses for 1986 increased slightly more than $5 over 1985 as each component (except parking and tolls and miscellaneous) saw an increase. In 1985, incidental expenses totalled $57.63; in 1986 they were $62.65. (One leasing company did not supply NAFA with average incidental expenses and another included several items in its incidental expenses which NAFA does not include, making comparison unrealistic.)

The largest increase in this year's survey was in the standing expenses category. Depreciation reserves increased by nearly $60, interest on money used for payment of owned fleets more than doubled from 1985, and depreciation adjustments (a credit) were almost $10 less than 1985. Perhaps because additional survey mailings were required, respondents may have filled out the forms based on monthly figures for July or August, when used-car sales are slower than normal. With slower sales, fleets get less money for their used vehicles, thus their depreciation adjustments (i.e. credits) are lower, and their standing expenses are higher.

All told, standing expenses went from $215.78 in 1985 to $320.72 per car per month in 1986. (The two leasing companies reported average total standing expenses of $297.32 and $312.47.)

Total credits for personal use and extra equipment decreased from $51.99 in 1985 to $49.39 in 1986. The leasing companies showed figures of $58.59 and $45.16 for these items.

In the 1987 Operating Expense Survey, NAFA converted each cents-per-mile figure into a dollars-per-month total to provide another means of comparison. As a result, two Net Expenses totals are now given. The Net expense total in Figure 4 including operating, incidental, and standing expenses, less credits, and is given in both cents/mile and dollars/month; while the total in Figure 5 includes only incidental and standing expenses, less credits, and is given only in dollars/month. This was necessary since fleets can compute their net expenses using either method.

Average Service Miles Per Car In Survey

	Business	Personal	Total
Mean	1,735	309	2,044
Median	1,719	300	2,019

Figure 3.

1986 Composite Fleet Operating Costs
United States Fleets

	Cents/Mile	Dollars/Month*
OPERATING EXPENSES		
Fuel	.0430	$ 86.00
Oil	.0017	3.40
Tires & Tire Repair	.0040	8.00
Repair & Maintenance	.0174	34.80
Total Operating Expenses	.0661	$132.20
INCIDENTAL EXPENSES		
Licenses & Taxes	.0096	$ 19.20
Accident Repairs Less Recoveries	.0072	14.37
Washing	.0049	9.75
Parking & Tolls	.0074	14.76
Miscellaneous	.0023	4.57
Total Incidental Expenses	.0314	$ 62.65
STANDING EXPENSES		
Interest (Company Owned)	.0215	$ 42.98
Leasing Company Service Charge	.0284	56.73
Depreciation Reserve	.1024	204.65
Reconditioning	.0031	6.04
Insurance	.0181	36.07
Less Depreciation Adjustment	(.0129)	(25.75)
Total Standing Expenses	.1606	$320.72
CREDITS		
Personal Use	.0230	$ 45.88
Extra Equipment	.0018	3.51
Total Credits	.0248	$ 49.39
NET EXPENSES (with operating costs) (Operating + Incidental + Standing Expenses – Credits)		
*Based on an average of 2,000 miles per car per month	.2333	$466.18

Figure 4.

Net expenses, using only incidental and standing expenses, less credits, came to $333.98 per car per month in this survey. In 1985, the total was $221.42. When including the operating costs in net expenses, the figure is $446.18 per car per month. By comparison, the leasing companies reported net expenses of $406.85 and $407.97.

In this year's report, the 1987 Operating Expense Survey shows expenses for composite fleets, without separate figures for subcompact, compact, mid-size, or large vehicles. Composite statistics are the overall fleet expenses.

Composite Fleet Operating Costs
United States Fleets 1983–1986 Comparison

	1983	1984	1985	1986
OPERATING EXPENSES				
(Cents Per Car Per Mile)				
Fuel	.0579	.0560	.0656	.0430
Oil	.0016	.0012	.0036	.0017
Tires & Tire Repair	.0041	.0040	.0048	.0040
Repair & Maintenance	.0157	.0151	.0192	.0174
Total Operating Expenses	.0793	.0763	.0932	.0661
INCIDENTAL EXPENSES				
(Dollars Per Car Per Month)				
Licenses & Taxes	$ 9.95	$ 11.62	$ 16.69	$ 19.20
Accident Repairs Less Recoveries	8.85	8.74	11.59	14.37
Washing	4.12	4.25	5.55	9.75
Parking & Tolls	11.06	7.46	19.10	14.76
Miscellaneous	2.97	3.25	4.70	4.57
Total Incidental Expenses	$ 36.95	$ 35.32	$ 57.63	$ 62.65
STANDING EXPENSES				
(Dollars Per Car Per Month)				
Interest (Company Owned)	*	*	$ 20.00	$ 42.98
Leasing Company Service Charge	$ 72.05	$ 60.40	46.25	56.73
Depreciation Reserve	153.65	182.95	147.50	204.65
Redconditioning	5.04	11.46	5.00	6.04
Insurance	20.96	19.03	32.03	36.07
Less Depreciation Adjustment	(12.38)	(23.83)	(35.00)	(25.75)
Total Standing Expenses	$239.32	$250.01	$215.78	$320.72

*This figure not computed these years.

	1983	1984	1985	1986
CREDITS				
(Dollar Return Per Car Per Month)				
Personal Use	$ 47.70	$ 45.42	$ 44.92	45.88
Extra Equipment	*	*	7.07	3.51
Total Credits	$ 47.70	$45.42	$ 51.99	$ 49.39

*This figure not computed these years.

	1983	1984	1985	1986
NET EXPENSES (without operating costs) (Incidental + Standing Expenses – Credits)	$228.77	$239.91	$221.42	$333.98

Figure 5.

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TOP 100 FLEETS

a bobit publication

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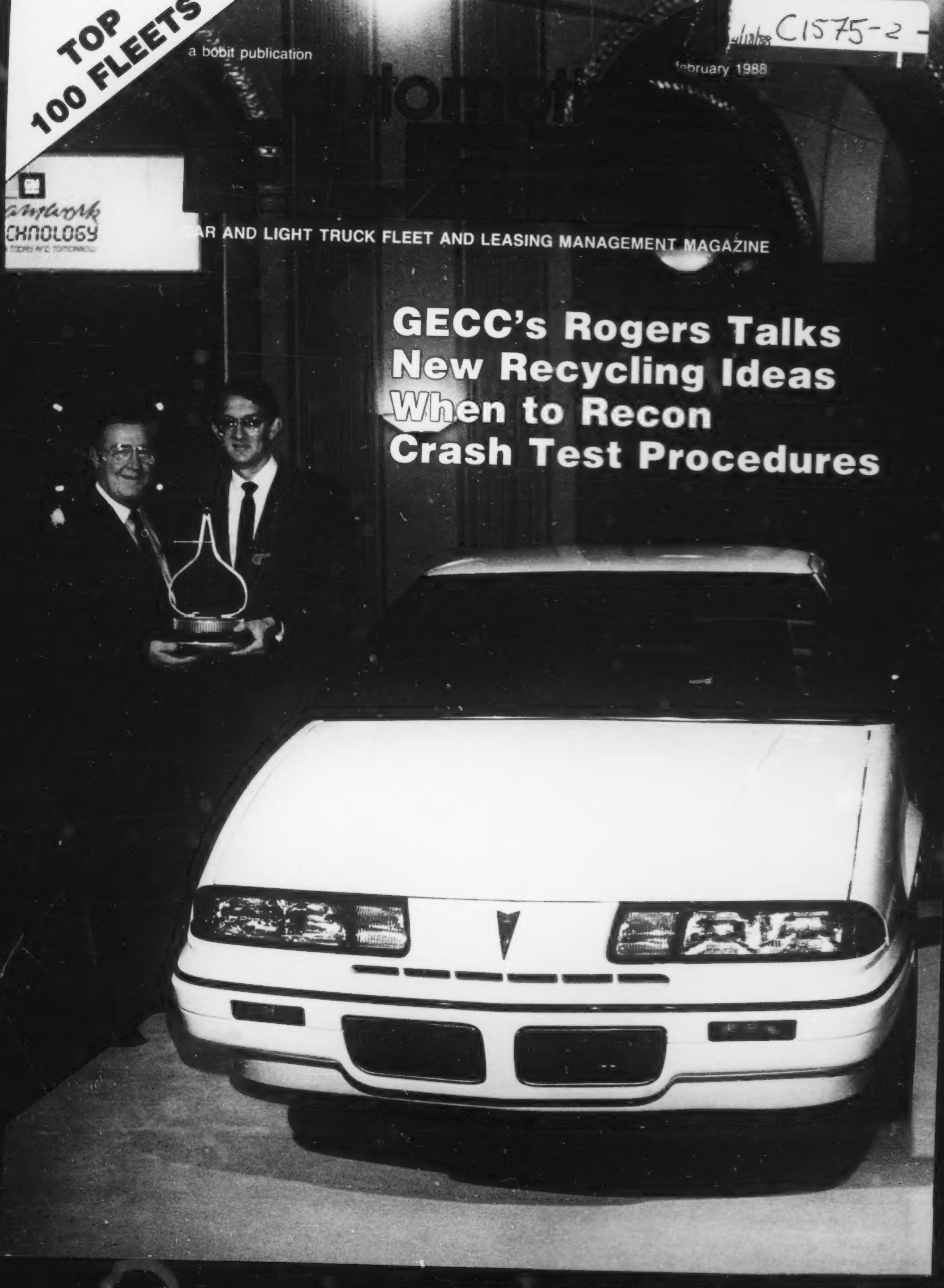
February 1988

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



GECC's Rogers Talks
New Recycling Ideas
When to Recon
Crash Test Procedures

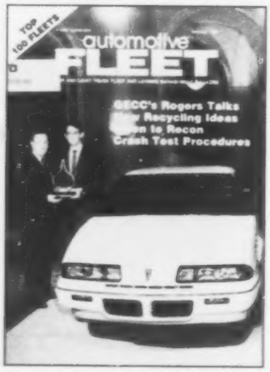
automotive FLEET®
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE
BOBIT PUBLISHING

FEBRUARY 1988
VOL. 27, NO. 4

Influencing the management of 4,584,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

p. 23

p. 101



On the cover: Pontiac's Grand Prix SE coupe takes top honors among domestic automobiles as *Motor Trend*'s 1988 Car of the Year. Jack Losch, director of fleet sales (left), and Michael Losh, vice president and general manager, Pontiac Division, display the trophy.

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Vehicle technical evaluations determine replacement cycling.

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What a car needs to realize increased resale dollars.

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How AF's Ninth Annual Top 100 was Developed

When we began this survey in 1979 we hoped to provide a list of the largest fleets to satisfy constant inquiries about "who" they were. Since then our research staff stays busy year 'round with additions, mergers, and changes in personnel, and have even made some friends along the way. We get calls from marketers and researchers for reprints and their projects are widely varied.

To the 100 fleets herein, congratulations on being the *creme de la creme* of the largest fleets.

Our original guidelines have remained intact; namely, that only business/corporate fleets with centralized automotive control (or individual fleet segments of a fleet within that company) are given consideration. Our tracking from year to year indicates that these criteria account for the majority of changes, since shifts in the rankings naturally take place when a company merges, centralizes, or decentralizes.

Company controlled cars are our basic factor, along with the number of light trucks (but not lift trucks, trailers, heavy trucks, etc.) some larger firms, such as IBM, are generally on an employee-owned and mileage reimbursement system, and those companies are not listed.

Our research department checked both by phone, and by mail to verify each of nearly 150 companies from known large fleets on AF's circulation list. We have updated not only the vehicles under direct control, but verified the fleet contact and whether the fleet is company-owned or fully-or partially leased. In addition changes in personnel are noted.

REPRINTS OF TOP 100

Reprints of this special 20-page section are available through *AF's* Reader Service Manager, 2512 Artesia Blvd., Redondo Beach, CA 90278, or by phoning (213) 376-8788.

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AUTOMOTIVE FLEET's TOP 100

Alphabetical Cross Reference

Company Name	Rank	Company Name	Rank	Company Name	Rank	Company Name	Rank
ARA Services	12	Eastman Kodak Co.	22	IC Industries	31	Revlon, Inc.	54
ARCO Oil & Gas	83	Eaton Corp.	95	Ingersoll Rand	85	Rollins, Inc.	29
Abbott Labs	79	Economics Laboratory	57	Interstate Brands	33	Sears, Roebuck and Co.	3
Aetna Life & Casualty	32	Eli Lilly Company	77	Johnson Controls, Inc.	49	Service America Co.	81
American Bakeries Co.	67	Exxon Co. USA	24	Keebler Company	72	Shaklee Corp.	58
Amoco Corp.	19	FMC Corp	84	Kraft	25	Shell Oil Co.	21
Ashland Oil, Inc.	15	Farmers Insurance Co.	63	LDS Church	9	Sherwin Williams	73
Avon Products, Inc.	76	Federal Express Corp.	1	Liberty Mutual Ins. Co.	90	Smith Kline & French	60
Bank of America	87	Fireman's Fund Ins. Co.	96	Lorillard, Inc.	97	State Farm Insurance	10
Bell & Howell	93	Frito Lay, Inc.	4	Marathon Oil Co.	50	Teledyne, Inc.	48
Borg Warner Corp	11	GAB Business Services	86	McDonald's Corp.	64	Tenneco, Inc.	30
Brown & Williamson	88	General Electric, Maj. Apl.	37	Merck & Co., Inc.	62	Transamerica Corp	74
Burlington Northern RR	42	General Foods	61	Minnesota Mining & Mfg.	16	Travelers Companies	39
CIGNA Corp.	70	General Mills	94	Montgomery Ward	92	Tupperware	7
CSX Transportation	17	Goodyear	23	Motorola, Inc.	27	USF&G Insurance	91
Canteen Corp.	41	Greyhound Corp.	51	Nabisco Brands, USA	43	USX Corp	35
Continental Banking Co.	8	Gulf & Western	89	PPG Industries	44	Union Carbide Corp	34
Continental Insurance	68	Hallmark Cards, Inc.	98	Pepsi Cola	69	Union Pacific Systems	26
Control Data Corp.	71	Hartford Insurance	65	Pfizer, Inc.	53	United Technologies	13
Cox Enterprises, Inc.	45	Hewlett-Packard Western	75	Phillips Petroleum	40	Upjohn Company	66
Crawford & Co.	52	Hobart Corp	99	Philip Morris USA	46	Van Pool Services	18
Diebold, Inc.	55	Hoechst Celanese	81	Pony Express Courier Corp.	80	W.R. Grace	59
Digital Equipment Corp.	6	Hoffman LaRoche	47	**Premark Inc.**	**5**	Westinghouse	18
Dow Chemical USA	36	Honeywell	14	Procter & Gamble	38	Wickes Companies	56
Dresser Industries	100	Household Finance	82	Purolator Service, Inc.	28	Xerox	2

Note: Boldfaced companies are new to 1988's TOP 100 listing.

STATISTICS

TOP 100

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
1	1	Federal Express Memphis, TN	Jim Gwinner Harold Idell	X	Fleetmark, ARI	16	18,203	18,219
2	3	Xerox Corp. Rochester, NY	Ron Pink	—	LMV	9,960	4,461	14,421
3	3	Sears, Roebuck and Co. Chicago, IL	William Jones III	X	—	300	13,800	14,100
4	4	Frito-Lay Corp. Dallas, TX	Tom Smith Charles Loveless	X	—	980	12,500	13,480
5	—	Premark, Inc. Deerfield, IL	Wallace Nichols	X	GEC Flt. Mgmt. Svcs.*	12,000	—	12,000
6	6	Digital Equipment Maynard, MA	Rick Catino Ellen Finnerty Dave Rand	—	PH&H, GEC Flt. Mgmt. Svcs.*	10,247	1,037	11,284
7	7	Tupperware Orlando, FL	Joe Fox Bernie Janis Stan Harris	—	In-house, GEC Flt. Mgmt.	10,300	—	10,300
8	8	Continental Baking Co. St. Louis, MO	Paul J. Walsh J.L. Eber	X	—	389	8,744	9,133
9	9	Church of Jesus Christ of Latter Day Saints Salt Lake City, UT	Scott Thredgold Harry Jeffs Bob Clark	X	—	7,980	650	8,630
10	10	State Farm Insurance Bloomington, IL	Thomas Sours	X	—	8,186	225	8,411

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
11	15	Borg Warner Corp. Chicago, IL	Phyllis Howard	X	In-house Leasing	5,825	2,100	7,925
12	11	ARA Services Philadelphia, PA	Ralph Jamic Kamran Partow	X	GEC Flt. Mgmt. Svcs.*	2,133	5,563	7,696
13	14	United Technologies Hartford, CT	Jim Ferrelli	X	PH&H	6,200	1,200	7,400
14	12	Honeywell Minneapolis, MN	Connie Wesley	—	GEC Flt. Mgmt. Svcs.*, PH&H	4,500	2,761	7,261
15	20	Ashland Oil Ashland, KY	William D. Bloss	X	PH&H, GEC Flt. Mgmt. Svcs.	3,750	2,900	6,650
16	13	Minnesota Mining & Mfg. St. Paul, MN	Tim R. Hoffman	X	—	5,463	1,163	6,626
17	17	CSX Transportation Jacksonville, FL	Mark Gast Jim Fronkoski	X	ARI, BankAmerilease, New Eng. Merchants	1,672	4,885	6,557
18	16	Westinghouse Pittsburgh, PA	Lou Dobak	X	In-house, PH&H	3,695	2,789	6,484
19	18	Amoco Corp. Chicago, IL	Richard Swanson	X	—	3,200	2,900	6,100
20	23	Service America Corp. formerly Allegheny Bev. Cheverly, MD	W.O. Wachter	X	Wheels, PH&H	650	5,350	6,000
21	21	Shell Oil Co. Houston, TX	Eunice Stigall	X	—	1,920	3,567	5,487
22	24	Eastman Kodak Co. Rochester, NY	Marc Carney	X	PH&H	5,100	300	5,400
23	26	Goodyear Tire & Rubber Akron, OH	Al Spencer	X	PH&H	1,761	3,295	5,056

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
24	25	Exxon Co. Houston, TX	John Dewees	X	—	2,200	2,800	5,000
25	5	Kraft Glenview, IL	Walt Tenclinger	—	GEC Flt. Mgmt. Svcs.*	4,000	1,000	5,000
26	27	Union Pacific Railroad Omaha, NE	T.J. Oliveri	X	GEC Flt Mgmt. Svcs.*	925	4,074	4,999
27	28	Motorola Northbrook, IL	Dan Swallec Hal Rubin	X	—	4,400	500	4,900
28	43	Purolator Courier, Corp. Basking Ridge, NJ	Ron Yavorka	X	—	155	4,410	4,565
29	19	Rollins, Inc. Atlanta, GA	Dave Leedy	—	B&M Equip, USFL, Wheels, PH&H, World Omni	1,200	3,350	4,550
30	31	Tenneco, Inc. Houston, TX	J.R. "Jack" Gudelman	X	Fleet Services	2,100	2,400	4,500
31	22	IC Industries Chicago, IL	E. Pierce Walsh	X	GEC Flt. Mgmt. Svcs.*	2,592	1,566	4,158
32	32	Aetna Life & Casualty Hartford, CT	Martin F. Crean	X	PH&H	3,846	279	4,125
33	33	Interstate Brands Corp. Kansas City,MO	David Weisman	X	—	—	4,111	4,111
34	34	Union Carbide Corp. Danbury, CT	Fred Glawtzberg	X	Wheels	3,400	600	4,000
35	35	USX Corp. Pittsburgh, PA	Paul Piriano	X	ARI, LMV, USFL	1,860	2,046	3,906
36	38	Dow Chemical USA Midland, MI	Tom Madden Sue Soper	—	McCullagh, Wheels	1,800	2,059	3,859

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
37	**42**	**General Electric Co. Consumer Service Louisville, KY**	**Vic Miska**	**X**	**In-house, GEC Flt. Mgmt. Svcs.***	**—**	**3,700**	**3,700**
38	30	Procter & Gamble Co. Cincinnati, OH	Clarence O'Dell	X	—	3,700	—	3,700
39	**45**	**Travelers Insurance Hartford, CT**	**Art Derderian**	**—**	**PH&H**	**3,556**	**117**	**3,673**
40	47	Phillips Petroleum Bartlesville, OK	James R. Grilliot Gary R. Herrington	X	—	716	2,808	3,524
41	**44**	**Canteen, Corp. Chicago, IL**	**Mark Klein**	**X**	**—**	**884**	**2,638**	**3,522**
42	40	Burlington Northern RR St. Paul, MN	John Long	X	ARI, Gecal BankAmerilease	850	2,600	3,450
43	**29**	**Nabisco Brands, USA Parsippany, NJ**	**James F. O'Neill**	**—**	**PH&H**	**3,263**	**—**	**3,263**
44	48	PPG Industries Pittsburgh, PA	Vic Pelletier	—	GEC Flt. Mgmt. Svcs.*	850	2,300	3,050
45	**49**	**Cox Enterprises, Inc. Atlanta, GA**	**Patsy Brownson**	**—**	**ARI, Wheels**	**834**	**2,206**	**3,040**
46	50	Philip Morris USA New York, NY	Gregory J. Tarring Janice Groek	—	PH&H, GEC Flt. Mgmt.	1,000	2,000	3,000
47	**56**	**Hoffman-LaRoche Nutley, NJ**	**John Smith**	**X**	**PH&H, Wheels**	**2,700**	**300**	**3,000**
48	39	Teledyne Inc. Los Angeles, CA	Robert Forsey	X	—	2,500	500	3,000
49	**41**	**Johnson Controls, Inc. Milwaukee, WI**	**Bob Borchert**	**X**	**GEC Flt. Mgmt. Svcs.*, Southgate**	**661**	**2,240**	**2,901**
50	51	Marathon Oil Co. Houston, TX	Lois A. Smith	X	Wheels	780	2,120	2,900

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
51	78	Greyhound Corp. Phoenix, AZ	Susan D. Richard	X	PH&H	1,875	1,005	2,880
52	53	Crawford & Co. Atlanta, GA	Wanda Ellison	—	Calesco, B&M Equip	2,750	100	2,850
53	57	Pfizer, Inc. New York, NY	Gordon B. West	—	GEC Flt. Mgmt. Svcs.*, Wheels, PH&H	2,352	475	2,827
54	54	Revlon Inc. Edison, NJ	S. Iannone	—	PH&H, GEC Flt. Mgmt. Svcs.*	2,780	25	2,805
55	55	Diebold, Inc. Canton, OH	Dave Allton, Linda Taylor	—	PH&H	1,160	1,640	2,800
56	52	Wickes Co. Inc. Santa Monica, CA	Terry Flesia	—	Associates, LMV, Leaseplan USA	1,289	1,418	2,707
57	73	Economics Laboratory St. Paul, MN	Jerry Rodewald	X	GEC Flt. Mgmt. Svcs.*	1,700	1,000	2,700
58	46	Shaklee Corp. San Francisco, CA	Janice Williamson	X	In-house	2,550	150	2,700
59	37	WR Grace & Co. New York, NY	E.E. Moore	—	PH&H, USFL	1,405	1,290	2,695
60	66	Smith Kline, Corp. Philadelphia, PA	Bill Haney, Susan Gallagher Steve Elison	—	Wheels	2,500	160	2,660
61	59	General Foods White Plains, NY	Dan Quigley	X	Wheels	2,500	100	2,600
62	68	Merck & Co. Rahway, NJ	Alma M. Cristàuro	—	PH&H	2,510	55	2,565
63	61	Farmers Insurance Grp. Pasadena, CA	Gene Grembowski	—	In-house	2,501	51	2,552

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
64	67	McDonalds Corp. Oakbrook, IL	Susan Stupak	—	PH&H	2,381	96	2,477
65	62	Hartford Insurance Hartford, CT	Diane Brittell	—	PH&H	2,393	82	2,475
66	65	The Upjohn Co. Kalamazoo, MI	Stephen A. Levine Juanita Perry Lenora Webster	X	Wheels, GEC Flt. Mgmt. Svcs.*	2,170	300	2,470
67	58	American Bakeries Co. Charlotte, NC	R.G. Kearns	X	PH&H	140	2,272	2,412
68	60	Continental Insurance Piscataway, NJ	William J. Benzie Victor Kaplij	—	PH&H	2,380	20	2,400
69	64	Pepsi Cola Co. Purchase, NY	Bob Taylor	X	—	700	1,600	2,300
70	69	CIGNA Corp. Philadelphia, PA	Timothy Hagarty	X	PH&H	2,147	128	2,275
71	72	Control Data Corp. Minneapolis, MN	Kathleen L. Wester	—	McCullagh	2,000	200	2,200
72	79	Keebler Co. Elmhurst, IL	William R. Stanley	—	Wheels, GEC Flt. Mgmt. Svcs.*	2,020	180	2,200
73	86	Sherwin Williams Cleveland, OH	Ken Schubeck Dave Hall	—	McCullagh, GEC Flt. Mgmt. Svcs.*	1,215	960	2,175
74	77	Transamerica Co. Los Angeles, CA	Jack Fay	X	in-house	2,100	75	2,175
75	80	Hewlett Packard Western Reg. Hollywood, CA	Craig Kundrotas	X	In-house	2,134	19	2,153
76	63	Avon Products, Inc. New York, NY	Maxine Sullivan	—	GEC Flt. Mgmt. Svcs.*	2,000	60	2,060

'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
77	74	Eli Lilly Co. Indianapolis, IN	Vic Hasler, Sue Webster, Roger Greer	X	Wheels	1,877	275	2,152
78	70	Van Pool Services Detroit, MI	Kenneth C. Sieloff	X	—	—	2,114	2,114
79	81	Abbott Labs Abbott Park, IL	Richard Derreberry	—	PH&H, Wheels	1,965	100	2,065
80	76	Pony Express Courier Corp Charlotte, NC	Thomas Spight, Jr.	—	Borg Warner Acceptance	273	1,779	2,052
81	94	Hoechst Celanese (American Hoechst) Somerville, NJ	Jim Devine Isabel Boqusz	X	Wheels, PH&H GEC Flt. Mgmt. Svcs.*	1,872	167	2,039
82	82	Household Financial Services Prospect Hts., IL	Mary Warwick	—	ARI	2,000	25	2,025
83	71	ARCO Oil Dallas, TX	Bob Leaumont	X	—	595	1,406	2,001
84	84	FMC Corp. Chicago, IL	Lawrence Dakof	X	GEC Flt. Mgmt. Svcs.*	1,000	1,000	2,000
85	90	Ingersoll Rand Piscataway, NJ	Patricia Pearsall	—	Wheels	1,294	657	1,951
86	75	GAB Business Services Parsippany, NY	G.J. Keenan	X	PH&H, GEC Flt. Mgmt. Svcs.*	1,937	3	1,940
87	87	Bank of America Concord, CA	Al Davis	X	—	1,662	275	1,937
88	91	Brown & Williamson Louisville, KY	Mike Cooley	X	—	592	1,266	1,858

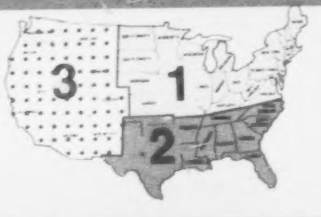
'87 Rank	'86 Rank	Company & Headquarters	Fleet Contact(s)	Co. Owned	Lessor(s)	# Cars	#Trucks & Vans	Total
89	**96**	**Gulf & Western, Inc.** **Madison, WI**	**John Simon**	**X**	**—**	**1,800**	**50**	**1,850**
90	83	Liberty Mutual Ins. Co. Madison, WI	Barbara Feinberg	X	—	1,816	11	1,827
91	**88**	**USF&G Insurance** **Baltimore, MD**	**James D. Meyers**	**—**	**In-house**	**1,800**	**26**	**1,826**
92	85	Montgomery Ward Chicago, IL	Roseann Neveitt	—	PH&H, GEC Flt. Mgmt. Svcs.*	122	1,681	1,803
93	**89**	**Bell & Howell** **Skokie, IL**	**Mike Winfield**	**—**	**Wheels, ARI**	**1,700**	**12**	**1,712**
94	93	General Mills Minneapolis, MN	Henry Paetzel Dick Livermore	X	—	1,542	109	1,651
95	**92**	**Eaton Corp.** **Cleveland, OH**	**Robert J. Wagner**	**—**	**LMV,** **GEC Flt.** **Mgmt. Svcs.***	**1,385**	**250**	**1,635**
96	99	Fireman's Fund Novato, CA	Sylvia Jones	X	—	1,586	45	1,631
97	**98**	**Lorillard, Inc.** **New York, NY**	**Sal J. Giacchi**	**—**	**GEC Flt.*** **Mgmt. Svcs.*,** **LendLease,** **PH&H**	**635**	**950**	**1,585**
98	97	Hallmark Cards Kansas City, MO	Debby Mize	X	—	1,500	75	1,575
99	100	**Hobart Corp.** **Troy, OH**	**Mark Welty,** **Dan Wray**	**—**	**GEC Flt.** **Mgmt. Svcs.***	**500**	**1,050**	**1,550**
100	36	Dresser Industries Dallas, TX	J.F. Snelling	—	Sovran Leasing	983	550	1,533
		TOTALS				231,146	177,864	409,010

Bold faced companies are new to this year's list.

****D & K Financial, Kerr Leasing, and Gelco Fleet Management Services were integrated to form GEC Fleet Management Services.***

USED CARS

The following are average car prices ending December 23, 1987. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3801	3839	3725
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2961	2991	2902
86 AMC ENCORE			
Sdn 5-Dr S Series	3776	3814	3701
85 AMC ENCORE			
Sdn 5-Dr S Series	2934	2963	2874
86 BUICK SKYHAWK			
Cust Coupe	5219	5271	5114
Cust Sdn	5299	5352	5193
86 BUICK CENTURY			
Cust Sdn	6798	6867	6664
85 BUICK CENTURY			
Cust Sdn	5460	5514	5351
86 BUICK SKYLARK			
Cust Sdn	6802	6871	6667
85 BUICK SKYLARK			
Cust Sdn	4120	4161	4038
86 BUICK SOMERSET REGAL			
Coupe	6863	6931	6726
86 BUICK RIVIERA			
Coupe	11,232	11,344	11,008
85 BUICK RIVIERA			
Coupe	9248	9340	9064
86 BUICK LE SABRE			
Cust Sdn	8299	8382	8134
85 BUICK LE SABRE			
Cust Sdn	6701	6768	6567
86 CADILLAC DE VILLE			
Cpe	12,776	12,903	12,520
Sdn	12,942	13,072	12,685
85 CADILLAC DE VILLE			
Cpe	9911	10,010	9713
Sdn	9911	10,010	9713
86 CADILLAC SEVILLE			
Sdn	15,890	16,050	15,573
85 CADILLAC SEVILLE			
Sdn	13,634	13,771	13,363
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3430	3463	3362
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2733	2761	2679
86 CHEVY CAMARO			
Cpe	7173	7246	7030
85 CHEVY CAMARO			
Cpe	6029	6089	5908
86 CHEVY CAVALIER			
Sdn	4884	4932	4786
85 CHEVY CAVALIER			
Sdn	3916	3956	3839
86 CHEVY CELEBRITY			
Sdn	6306	6368	6180
85 CHEVY CELEBRITY			
Sdn	4897	4947	4800
86 CHEVY CAPRICE			
Sdn	6732	6799	6597
85 CHEVY CAPRICE			
Sdn	6298	6361	6172
86 CHRYSLER LE BARON			
Cpe	6247	6310	6123
Sdn	6309	6373	6184
85 CHRYSLER LE BARON			
Cpe	5058	5108	4958
Sdn	5089	5142	4989
86 CHRYSLER FIFTH AVENUE			
Sdn	9547	9643	9357
85 CHRYSLER FIFTH AVENUE			
Sdn	7830	7908	7671
86 DODGE OMNI			
Htchbk 4 Dr	3894	3932	3815
85 DODGE OMNI			
Htchbk 4 Dr	3071	3102	3009
86 DODGE ARIES			
Sdn	4870	4920	4772
85 DODGE ARIES			
Sdn	3696	3732	3621
86 DODGE DIPLOMAT			
Sln Sdn	5535	5591	5424
85 DODGE DIPLOMAT			
Sln Sdn	4284	4326	4197
86 DODGE LANCER			
Sdn	6294	6359	6169
86 DODGE 600			
Sdn	6008	6067	5887
85 DODGE 600			
Sdn	4596	4642	4504
86 FORD ESCORT			
Htchbk 4 Dr L Series	4120	4164	4039
85 FORD ESCORT			
Htchbk 4 Dr L Series	3250	3281	3185
86 FORD MUSTANG			
LX-4 Cpe	5766	5823	5650
85 FORD MUSTANG			
LX-4 Cpe	4716	4762	4622
86 FORD TAURUS			
GL Sdn 4 Dr	8123	8206	7962
86 FORD TEMPO			
GL Sdn 4 Dr	5110	5161	5008
85 FORD TEMPO			
GL Sdn 4 Dr	3973	4013	3894
86 FORD LTD			
Sdn	5283	5336	5177
85 FORD LTD			
Sdn	4136	4177	4052
86 FORD CROWN VIC			
Sdn	8862	8951	8686
85 FORD CROWN VIC			
Sdn	7283	7356	7137
86 FORD THUNDERBIRD			
Cpe	7582	7657	7431
85 FORD THUNDERBIRD			
Cpe	6262	6323	6135
86 LINCOLN CONTINENTAL			
Sdn	14,983	15,133	14,683
Town Car Sdn	13,643	13,779	13,369
Mark VII Cpe	14,608	14,752	14,316
85 LINCOLN CONTINENTAL			
Sdn	12,275	12,397	12,029
Town Car Sdn	11,084	11,194	10,863
Mark VII Cpe	12,023	12,143	11,782
86 MERCURY LYNX			
L Htchbk 4 Dr	4164	4205	4080
85 MERCURY LYNX			
L Htchbk 4 Dr	3280	3314	3215
86 MERCURY COUGAR			
Cpe LS	8435	8520	8266
85 MERCURY COUGAR			
Cpe LS	6929	6998	6791
86 MERCURY TOPAZ			
GS Sdn 4 Dr	5295	5348	5190
85 MERCURY TOPAZ			
GS Sdn 4 Dr	41[illegible]	4144	4021
86 MERCURY MARQUIS			
Sdn	5381	5435	5274
85 MERCURY MARQUIS			
Sdn	4192	4235	4108
86 MERCURY GRAND MARQUIS			
Sdn	9460	9555	9271
85 MERCURY GRAND MARQUIS			
Sdn	7727	7805	7573
86 OLDS FIRENZA			
Sdn	5293	5352	5193
85 OLDS FIRENZA			
Sdn	4147	4188	4064
86 OLDS CIERA			
L Coupe	6726	6794	6592
L Sdn	6806	6875	6671
85 OLDS CIERA			
LS Cpe	5387	5440	5279
LS Sdn	5455	5509	5346
86 OLDS CALAIS			
Sdn	6828	6896	6692
86 OLDS CUTLASS SUPREME			
Cpe	7385	7458	7236
Sdn	7195	7267	7052
85 OLDS CUTLASS SUPREME			
Sdn	5935	5994	5815
86 OLDS DELTA 98			
Rgcy Sdn	10,019	10,120	9820
85 OLDS DELTA 98			
Rgcy Sdn	8161	8242	7997
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3892	3930	3813
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	3067	3098	3006
86 PLYMOUTH RELIANT			
Sdn	4851	4898	4753
85 PLYMOUTH RELIANT			
Sdn	3697	3733	3623
86 PLYMOUTH CARAVELLE			
SE Sdn	5812	5870	5695
86 PLYMOUTH GRAN FURY			
Salon Sdn	5570	5625	5459
85 PLYMOUTH GRAN FURY			
Salon Sdn	4429	4472	4339
86 PONTIAC T-1000			
Sdn	3465	3501	3396
85 PONTIAC T-1000			
Sdn	2790	2817	2733
86 PONTIAC SUNBIRD			
Sdn	5216	5268	5111
85 PONTIAC SUNBIRD			
Sdn	4113	4155	4032
86 PONTIAC 6000			
Sdn	6595	6661	6464
85 PONTIAC 6000			
Sdn	5142	5193	5038
86 PONTIAC GRAND AM			
Sdn	7012	7081	6870
86 PONTIAC FIREBIRD			
Cpe	7263	7336	7118
85 PONTIAC FIREBIRD			
Cpe	6100	6162	5978
86 PONTIAC BONNEVILLE			
Sdn	6912	6981	6774
85 PONTIAC BONNEVILLE			
Sdn	5383	5437	5275
86 PONTIAC GRAND PRIX			
Cpe	7266	7340	7122
85 PONTIAC GRAND PRIX			
Cpe	6057	6119	5937
86 PONTIAC PARISIENNE			
Sdn	8256	8339	8093
85 PONTIAC PARISIENNE			
Sdn	6532	6597	6401
86 NISSAN SENTRA			
Std Sdn 2 Dr	3967	4008	3889
86 NISSAN STANZA			
GL Ntch 4 Dr	6692	6757	6557
86 NISSAN MAXIMA			
SE Sdn	10,309	10,412	10,102
85 NISSAN SENTRA			
Std Sdn 2 Dr	3168	3200	3106
85 NISSAN STANZA			
XE Htchbk 4 Dr	4894	4943	4795
85 NISSAN MAXIMA			
SE Sdn	8591	8677	8419
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5778	5835	5663
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7934	8014	7776
86 TOYOTA CRESSIDA			
Lux Sdn	12,007	12,127	11,766
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4845	4893	4749
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	6483	6549	6353
85 TOYOTA CRESSIDA			
Sdn	9455	9549	9266
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6812	6880	6676
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5665	5721	5549

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City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	149.9	134.4
Pine Bluff, AR	114.6	80.9
Phoenix, AZ	124.2	87.6
Pasadena, CA	122.4	83.4
Glenwood Springs, CO	134.5	118.2
Washington, D.C.	136.5	100.7
Key West, FL	133.4	102.4
Honolulu, HI	173.7	134.0
Chicago, IL	132.4	97.3
Boston, MA	108.1	100.9
Iron Mountain, MI	103.4	97.9
Springfield, MO	108.4	77.6
Fargo, ND	123.9	91.6
Albuquerque, NM	118.4	100.4
Sioux Falls, SD	103.9	77.4

Survey conducted during the first five working days of January 1988.
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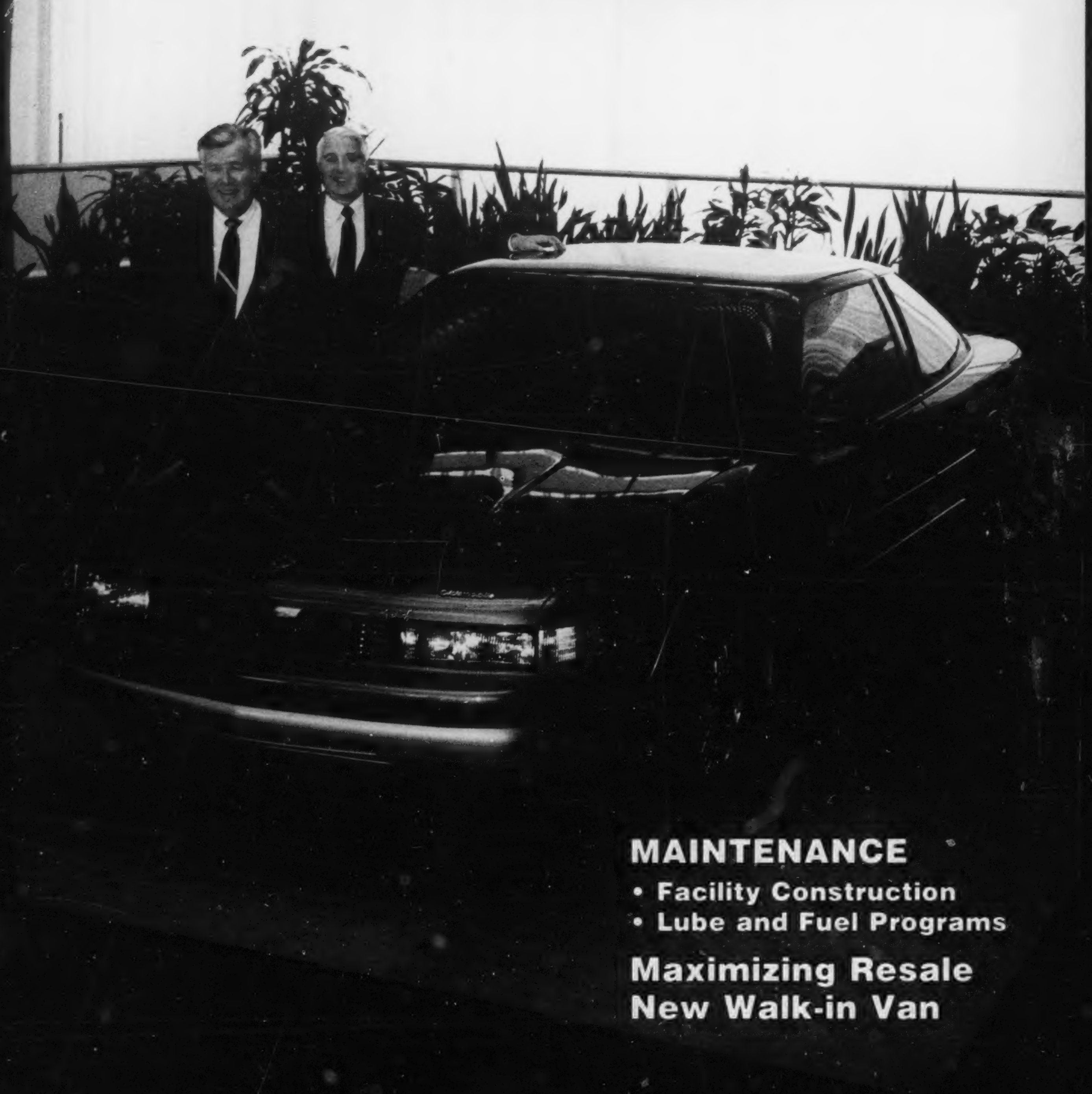
march 1988

automotive FLEET®

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

MARCH 1988
VOL. 27, NO. 5

Influencing the management of 4,584,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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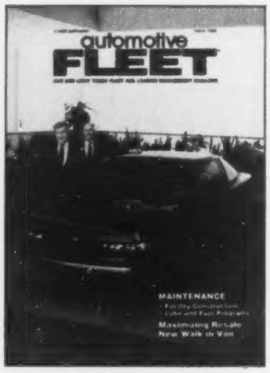

On the cover: Oldsmobile's Cutlass Supreme International was runner up among domestic automobiles as *Motor Trend's* 1988 Car of the Year. Presenting Oldsmobile's GM-10 version is Chuck Dietrick, director of national fleet sales, and William Lane, GM vice president and general manager, Oldsmobile Division.

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States Seek Higher Fuel Taxes; Enact Seat-Belt Laws

Increased travel that is straining highway systems has prompted the expectation that as many as 34 state legislatures will seek more federal highway funds through raising motor fuel taxes in 1988, according to the Highway Users Federation.

Of 33 states that proposed increased highway-user revenues in 1987, only 14 succeeded. They include Delaware, Maryland, Mississippi, Missouri, Montana, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, Utah, and Wisconsin. By January 1988, state gasoline taxes averaged 14.4 cents per gallon in addition to the nine-cents-per-gallon federal gasoline tax.

The push for increases in state fuel taxes results from record travel growth during a period of repeated cutbacks in the federal-aided highway program. While traffic has increased by nearly 20 percent since 1983, the Gramm-Rudman-Hollings law and other cutbacks have reduced federal highway expenditures to $11.8 billion, 10.5-percent less than the 1986 program level.

In the traffic safety area, as of Jan. 31, 1988, 31 states have enacted safety belt use laws. Legislative efforts to raise the 55-mph speed limit are expected in 16 states, as permitted by federal legislation last year, when 38 states raised the speed limit to 65 mph on rural interstate highways. States that do not have seat belt use laws are Alabama, Alaska, Arizona, Arkansas, Delaware, Georgia, Kentucky, Maine, Massachusetts, Mississippi, Nebraska, New Hampshire, North Dakota, Rhode Island, South Carolina, South Dakota, Vermont, West Virginia, and Wyoming. In addition, 24 states are expected to consider tougher laws on drunk driving, and 21 states will review safety belt use regulations up for reenactment.

State Motor Fuel Tax Rates (cents per gallon)

STATE	GASOLINE	DIESEL	GASOHOL	ADDED TAX (%)	LOCAL OPTION
Alabama	13	14	12		L
Alaska	8	8	0		
Arizona	16	16	16		
Arkansas	13.5	12.5	13.5		
California	9	9	9	6	L
Colorado	18	20.5	18		
Connecticut	19	19	18	2	
Delaware	16	16	16		
D.C.	15.5	15.5	15.5		
/*Florida	9.7	9.7	9.7		L
Georgia	7.5	7.5	7.5	3	
Hawaii	11	11	11	4	L
Idaho	14.5	14.5	10.5		
Illinois	13	15.5	13	6	L
Indiana	14	15	14	5	
Iowa	16	18.5	15		
*Kansas	11	13	11	4	
*Kentucky	15	12	15		
Louisiana	16	16	16	1	
/Maine	14	14	13		
Maryland	18.5	18.5	18.5		
*Massachusetts	11	11	11		
*Michigan	15	15	15	4	
*Minnesota	17	17	15		
/Mississippi	17	17	17		L
Missouri	11	11	11		
Montana	20	20	20		
/*Nebraska	18.3	18.3	15.3		
Nevada	16	17	16		
New Hampshire	14	14	14		
/New Jersey	8	11	2		
New Mexico	14	16	6		L
New York	8	10	8	6.75	L
/*North Carolina	15.8	15.8	15.8		
North Dakota	17	17	13		
*Ohio	14.7	14.7	14.7		
Oklahoma	16	13	16		
/Oregon	14	14	14		L
Pennsylvania	12	12	12	6	
*Rhode Island	15	15	15		
South Carolina	15	15	9		
South Dakota	13	13	11		L
Tennessee	17	16	13		L
Texas	15	15	11		
Utah	19	19	19		
Vermont	13	14	13		
Virginia	17.5	16	17.5		L
Washington	18	18	16.2		
*West Virginia	15.35	15.35	15.35		
*Wisconsin	20	20	20		
Wyoming	8	8	8		

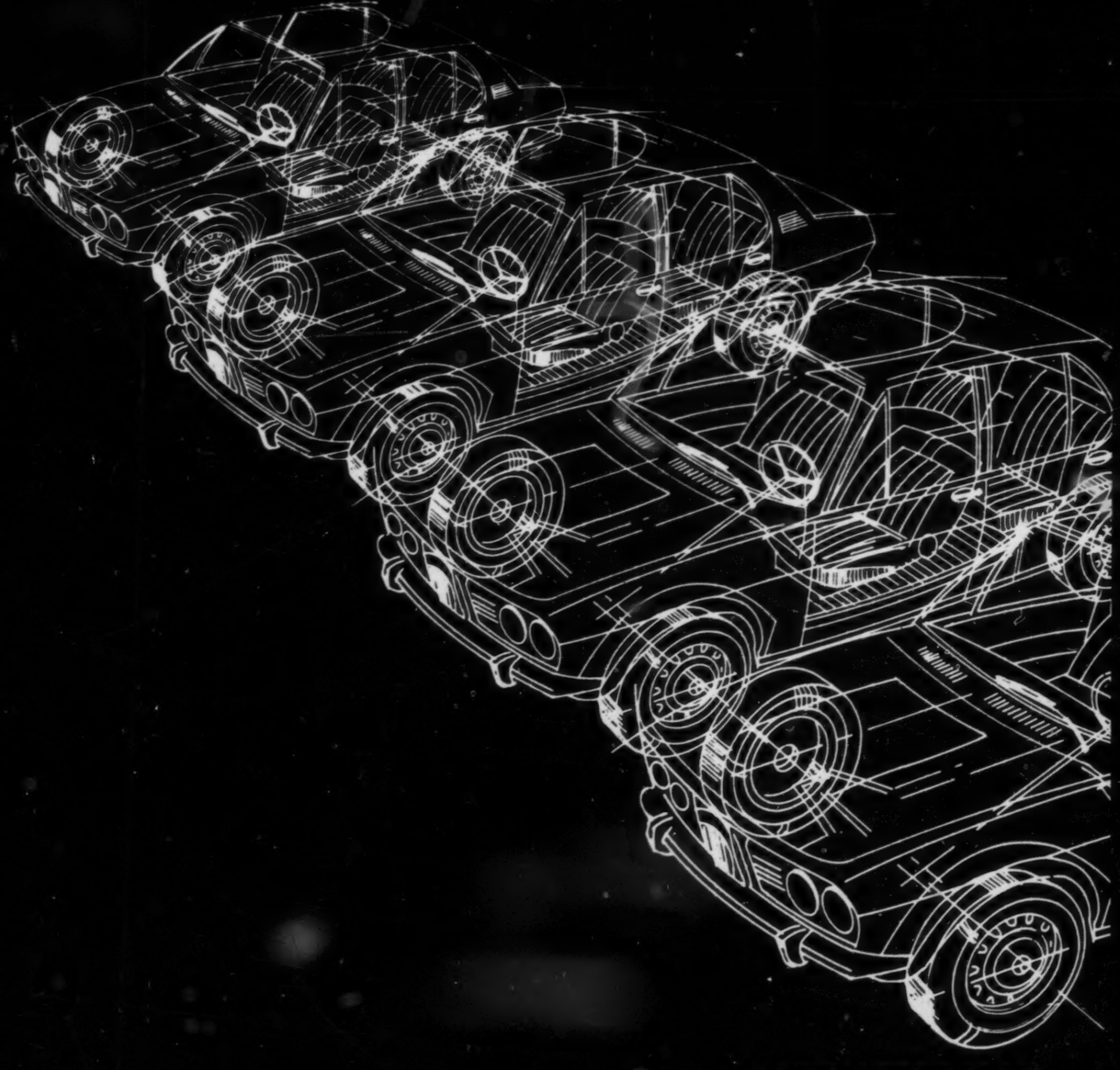
* Variable tax expressed in cents per gallon.

/ Updated since last Highway Users Federation chart January 1, 1988.

MERCHANDISING

In today's used-car market, it's not enough to know product inside and out. One must also know, and anticipate, the market. In this article, Jim Culotta of McCullagh Leasing offers advice on maximizing the return on used vehicles.

Maximizing Used-Car Values



McCULLAGH LEASING
30803 Little Mack Avenue
Roseville, Michigan 48066
(313) 296-4200

J. A. Culotta
President

Dear Fleet Manager:

McCullagh Leasing wants you to have the following essay on Used Car Values because we sense that the importance of resale is being obscured by other issues in today's environment. The enormous amount of attention being given today to up-front economies and financing can falsely suggest that these questions are exhaustive. Acquisition costs and financing are important - to be sure. But by themselves they do not guarantee an adequate fleet program.

The basic point of the enclosed essay is this: Fleet Managers have responsibility for managing the cost of usership - that is, the net cost of having vehicles available to do their company's work. Since the cost of usership is the net difference between acquisition cost and resale value, then each factor has equal power to drive the net cost up or down.

The importance of resale value, then, can hardly be overstated. It seems to me, though, that even when resale is addressed, it is frequently reduced to speculation about large economic issues that impact vehicle values - the availability and cost of fuel, import quotas, government regulations, etc.

Each of us knows from experience that energy costs or odometer regulations can indeed make or break a particular vehicle in the resale market. But speculation is fraught with risks. So I suggest that - while keeping abreast of major economic and market trends - Fleet Managers focus on more controllable and manageable issues affecting resale value - issues like replacement cycles, equipment levels and maintenance programs.

This is by no means the final word on remerchandising fleet vehicles. Nor do I expect you to agree with all that I say. My purpose will be achieved if this essay invites a discussion that leads to a more balanced appreciation of the issues - and contributes to a greater recognition of the importance of all that your job involves.

Sincerely,

JA Culotta

J. A. Culotta
President
McCullagh Leasing

AFFILIATED WITH BANCNEWENGLAND LEASING GROUP

The purpose of this article is not so much to prognosticate or forecast the future of the used-car market, as to suggest a method of preparing for the continued uncertainties the industry will face as it attempts to maximize the return on used vehicles.

This has never been an easy topic and, certainly, marketing used vehicles has never been a job for the fainthearted. But nevertheless, there once was a time when, if you stayed involved in the market long enough, you could figure it out. You could eventually learn its cycles and its seasons.

Today, it's not enough to know cars and trucks inside and out, such as which engines, equipment, or even what colors do best in any given part of the country. It's not enough any longer to know *product*. One must also know, and be able to anticipate, the *market*.

And here we have the makeup of a dilemma: On the one hand, we have a product array that has gotten incredibly more complicated over the years and, with over 300 different makes and models, has become more and more the domain of engineers.

On the other hand, the value of this product is a function of a market that is driven by forces that are equally elusive: the value of the dollar, likelihood of recession or inflation, dramatic fluctuations in the cost of money, foreign competition, manufacturers' marketing strategies, protectionism, and, of course, the continuing uncertainty about the availability of affordable fuel.

My point is that the area of used vehicles and resale value is no longer an easily-managed function of the fleet manager's total job. It's bigger than all outdoors and, it's a very complex affair, where one "blip" in the larger market can dramatically impact our best-laid plans.

What happened to the old days, when, with a reasonable amount of effort, you could get your hands around the situation?

Jim Culotta, president of McCullagh Leasing.

"The area of used vehicles and resale value is no longer an easily-managed function of the fleet manager's total job."

The oil embargo of 1973-1974 set into motion a sequence of events that's still evolving. We have a market still in the throes of adapting to a new global economy and we don't know yet who will be the winners and losers.

Consequently, the old guidelines, formulas, and ratios that applied in the past, aren't necessarily very good guidelines anymore. And if George Bush will excuse the expression, forecasting has become something of a voodoo science.

When the oil supply was shut off, we saw fuel costs skyrocket, increasing 220 percent between 1974 and 1980! Since fuel represents about 35 percent of a fleet's operating cost, the expense of running our fleets increased dramatically during this period. To reduce these costs, fleet managers, like everyone else, started looking for higher m.p.g. vehicles.

The rise in fuel costs ushered in a period of spectacular inflation that took the prices of vehicles from an approximate average of $4,000 in 1970 to $5,300 in 1975 and $7,000 in 1980. Today, it's almost $13,000. That's a 79-percent increase in only seven years.

Most of us bit the bullet and downsized into four-cylinders and took our lumps. The used-car market was disastrous, but once we cycled through it, we said, things would wash out. (Ironically, the used-car disaster would have been worse *without* the spiralling inflation of that period. With new-car prices jumping 79 percent between 1975 and 1982, used-car prices were able to rise also, thereby mitigating the overall impact on the net holding cost.)

Meanwhile, another force took hold to affect used-vehicle values. As consumers experienced "sticker shock," they began to question whether they were getting their money's worth. What resulted was a stream of legislation that has radically changed the vehicle business and the used-vehicle market. CAFE standards were introduced entailing huge expenses to the manufacturers through retooling and the development of new products. Consumer Protection Laws and Lemon Laws were enacted in many states to safeguard buyers of new *and* used vehicles. Then, of course, came the federal odometer regulations, intended to eliminate the time-honored practice of tampering with, or "clocking," odometers.

As used vehicles began to reflect their real mileage, consumers backed off investing in a used car that had 50,000, 60,000, or 70,000 miles showing on the odometer. Net effect: odometer legislation eroded the demand for *typical*, higher mileage used fleet vehicles.

Consumers had been a conspicuous bunch in the '60s. In fact, the domestic manufacturers catered to conspicuous consumption. After the oil embargo, however, consumers wanted economical vehicles that the domestics didn't have. So consumers turned in increasing numbers to imports, and domestic manufacturers began to yield market share. A new Catch-22 began to take shape. The Big Three faced, and still do, a sizable over-capacity problem and had the choice of either cutting production or selling more cars.

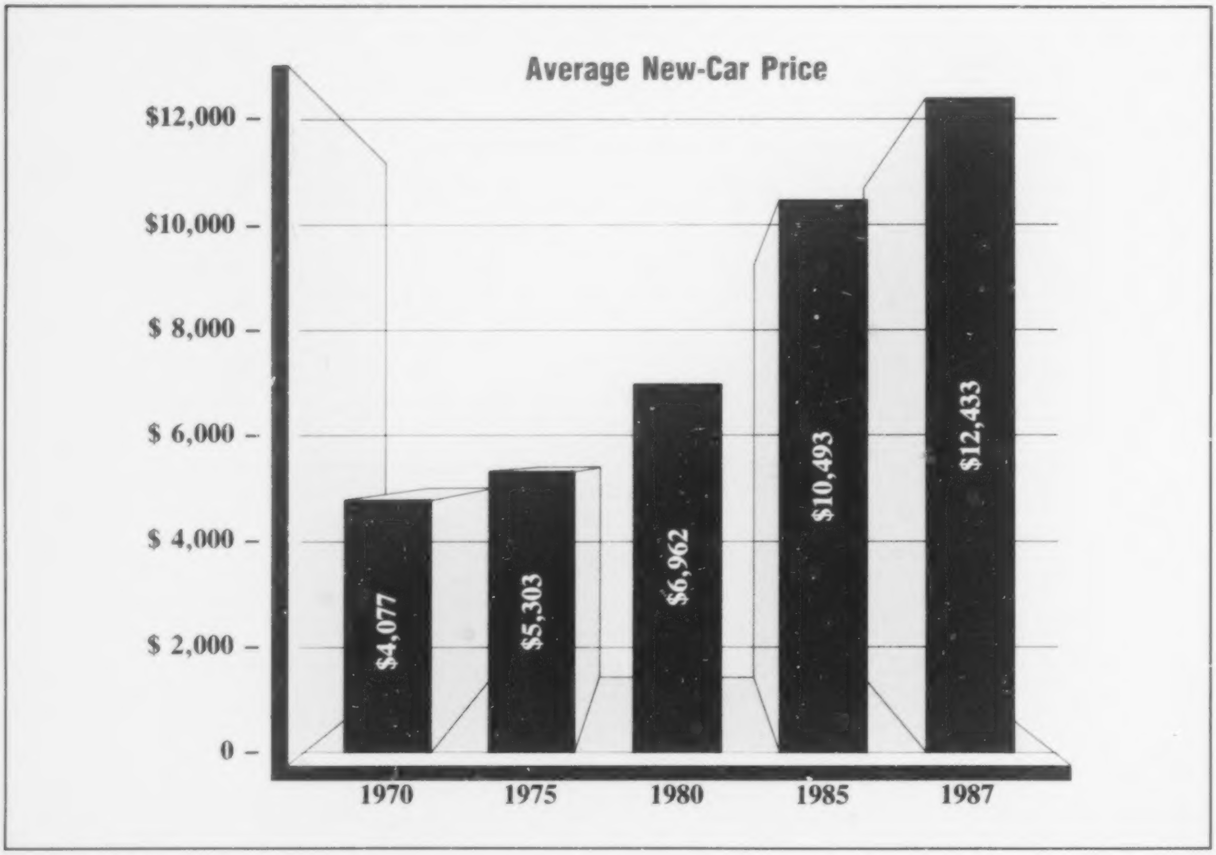
In order to sell the cars they were capable of producing, new marketing strategies were introduced: discounts, extended warranties, rebates, and, the most important of all — low-rate financing.

The war was on. Through their new marketing strategies, the Big Three have actually been mortgaging the future — shifting new car buyers from *future* purchases to *present* purchases. And they shifted late-model *used*-car buyers to *new*-car buyers.

But the new-car inventory moved. After all, a new car with the appropriate rebate and financing could be bought for about the same monthly payment as a year-old car financed at a local bank rate. Plus, you got a car with a much better warranty to boot.

But, as you know, these factory programs not only moved new-car inventories, they also forced used-car prices down. So once again, the value of our fleet vehicles was jeopardized by the larger market forces at work. Many of these forces are still at work. Incentives, rebates, and cheap financing are still being offered. In fact, many think they have become institutionalized. And by the way, we haven't heard the last on odometer tampering. New legislation is still being written to further tighten the noose around would-be clockers. As a result, high-mileage units are more prevalent and harder to move, even at bargain prices.

Meanwhile, all those buyers who were lured into buying or leasing new cars two or three years ago are now ready to turn them. The supply of late-model cars is enormous.



The manufacturers themselves have become major used-car sellers and are putting an estimated 500,000 used vehicles from their leasing and financing programs into the market each year. Net result: further downward pressure on used-car prices.

All of these trends, with their roots in the Energy Crisis, may not be trends anymore, but rather the *new* forces driving a *new* market. It's an environment where forecasting is dangerous work.

So what do we do in the meantime? Do we engage in this voodoo science of forecasting and base *today's* fleet decisions on what *we think* the market will value *tomorrow*?

Or, should we focus on this amazing array of products instead?

Before we do either, let's step back and look at the big picture.

What are we trying to do, and how do we accomplish our goals? What we're trying to do is simply to get the greatest residual return on our used vehicles. This is one thing that all of us who operate fleets have in common: we manufacture used cars. Viewed from this perspective, our goal should be to manufacture the *best* used vehicle product possible — i.e., the most *value*-laden used vehicle.

Anyone responsible for company vehicles knows that the up-front acquisition cost is not the *real*, or *final*, cost of a company fleet. The more interesting figure is the *holding cost* of a vehicle, which is the original acquisition cost net of the final resale or residual value. "Holding Cost" is the real bottom line figure to watch. And that figure is going up, too.

Ed Bobit's editorial in the January, 1988 issue of *Automotive Fleet*, voiced amazement (which I share) over the results of NAFA's latest New Car Acquisition Survey. In this survey, Initial Acquisition Cost was ranked Most Important, followed by Serviceability and Economy of Operation. Resale Value was ranked *fourth*. But as Bobit says, "Residual is the name of the game." Why then shouldn't it properly be ranked first? I'll tell you why. Because it's the wild card in the deck. It is the most variable, but controllable, of all fleet cost elements. Obviously, acquisition costs have been going up and up — and that's important. But there's very little we can do about that. Besides, to quote Bobit again, "anyone worth his (or her) salt is going to conclude (a new vehicle) purchase within $25 comparatively from dealer to dealer." So there's no mystery in "Acquisition Cost."

And although serviceability, maintenance, and operating costs are also very significant factors, there's not much mystery there, either. Quality has improved, warranties are the best in history, and EPA figures are good.

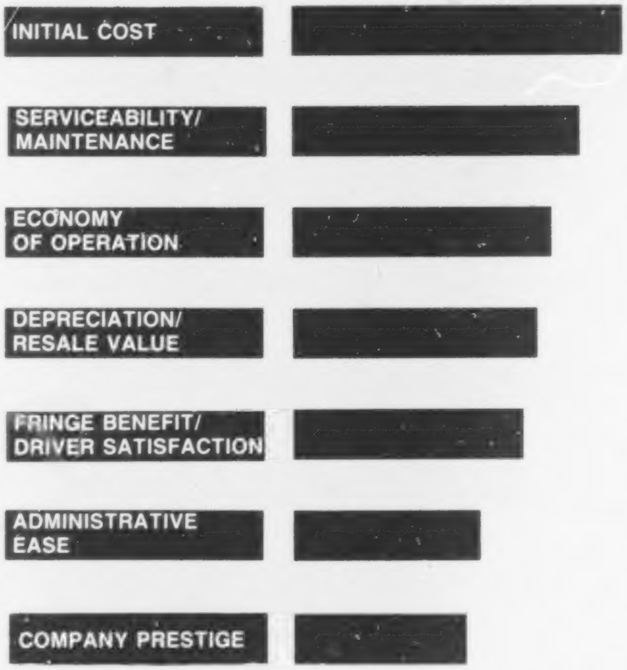
So *resale* — the management of residual values — should be recognized as the most significant controllable variable in the Holding Cost equation. I would like to take a few minutes to review the things we *can* do to *enhance* resale value of our fleet vehicles and thereby keep bottom-line holding costs under control.

- First, is the selection process. The first priority is to make sure that the vehicles you put in your fleet can do the job they're intended to do. This becomes even more critical in specing out trucks, where the various configurations can get very complicated.

To do the job right, you need to be totally current on the makes and models available, the packages being offered, and compatibility of equipment. Usually, you'll need some help from a manufacturer's

Factors Influencing Vehicle Acquisition

As part of NAFA's New Car Acquisition Survey, respondents were asked to rank in order of importance seven factors they use for fleet car selection.



Source: National Association of Fleet Administrators.

rep or your leasing company.

- Second, is recognizing that the purchase of vehicles involves a risk. This risk is tied to a vehicle's future value and we should minimize the risk by having a *good mix* in our inventory.

While it's true that today's "hot models" are generally tomorrow's hot resale items, don't put all of your eggs in one basket. In uncertain times, and these times are indeed uncertain, it's best to hedge your bets and spread the risk over a variety of makes and models.

- Third, is age and mileage. Not many fleets turn their vehicles over as one-year-old models unless mileage is unusually high, say 35,000 to 40,000 miles. One-year-old models depreciate between 20 percent and 35 percent. Most fleet vehicles are sold as two-year-old models, which have depreciated between 40 and 60 percent. Vehicles in service for three years average between 65- and 75-percent depreciation.

Keep in mind that "one year old," "two year old," etc., is measured from the model introduction date. (So, for example, buying a model-year closeout special in August or September is seldom a "bargain" since you're buying a year-old car from a resale standpoint.) Now, there's no economic advantage to holding fleet automobiles longer than three years. However, age alone cannot decide a replacement policy. It's age *and* mileage.

We all know that federal odometer regulations have had a direct impact on the resale of vehicles. Nowadays, it appears that 50,000 miles is the magic number. More miles than that and used-vehicle values begin to drop dramatically.

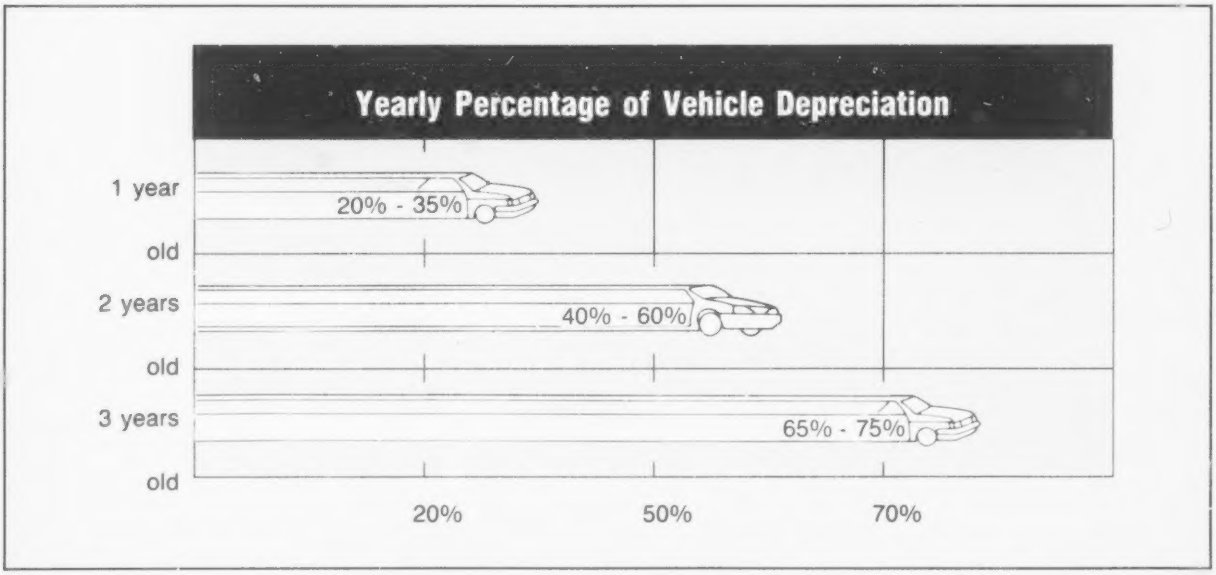
Now, the market is gradually adjusting to the fact that used vehicles have more miles on them than they used to. (Well, the cars have the same number of miles, it's just that the odometers read higher.) Gradually, there will be buyer acceptance of 55,000-, 60,000-, and 70,000-mile units, especially with the manufacturers' new, extended warranties.

Nevertheless, maximum resale value is gained when units are replaced before the 50,000-mile "psychological limit" is reached. The national average on commercial fleet automobiles is currently 22,000 miles per year. This means that the optimum replacement cycle is about 30 months. I believe that a fleet policy built around a 30-month replacement cycle can, by and large, avoid the negative down side in the used-car market due to high mileage.

- The fourth important aspect to consider in minimizing holding cost is equipment. What types of equipment help move a used car?

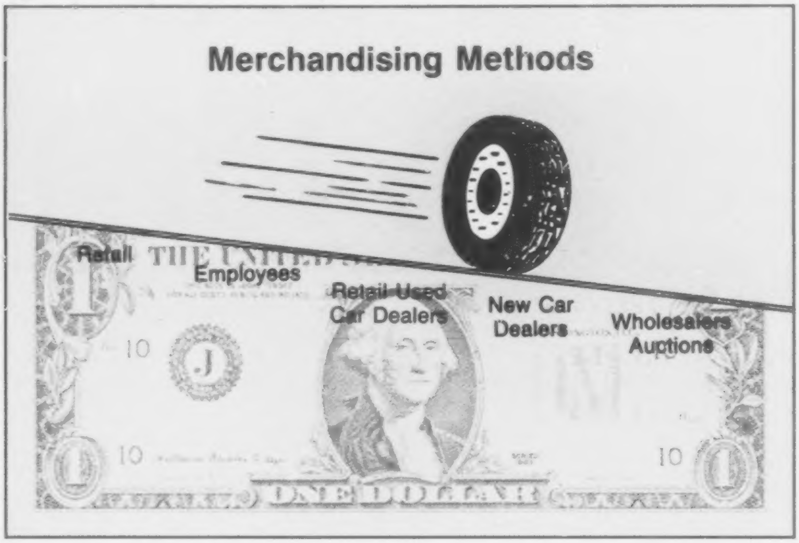
The answer, I think, is "the right configuration of options and equipment." By this I mean two things. First, that the equipment level is *right* for the type of car. Secondly, by "right configuration" I mean that certain options go together, which buyers of used cars expect to see together, such as tilt, cruise, *and* interval wipers; FM stereo *and* cassette, or power windows *and* locks. The manufacturers have recognized this, of course, and more and more often options are available only as part of a total package. By and large, certain pieces of equipment pay for themselves at resale, and should almost always be included on your vehicles.

- Fifth, is the condition of the vehicle. Obviously a clean, well-cared-for machine brings more, much more, than a similar unit in rough condition. So the condition of the vehicle is critical, too. But "condition" nowadays goes beyond the cosmetics of paint and upholstery,



or dings and scratches. Assuming that the car is *presentable*, we still need to assure its soundness.

Here's where an ongoing maintenance management program can really pay off. Not only will a vehicle present well and run well if it has been cared for on a regular basis, it will also sell faster when a maintenance history can be produced to document that care. More and more fleets are relying on maintenance management programs to cut operating costs, insure prevention of costly repairs, and minimize downtime. But they're also beginning to realize the big payoff at the end of the cycle: a better unit, with supporting documentation, will bring the top price.


Merchandising Methods

> *"Resale — the management of residual values — should be recognized as the most significant controllable variable in the Holding Cost equation."*

- Sixth, is fleet incentives. Here we're talking about the types of things we can do up-front that have a positive impact on the net holding costs of our vehicles.

We should do our homework, be knowledgeable about what is available, and be organized to take advantage of these factors. For example, the domestics generally offer an "Early-Order" Incentive. Do we know how the various manufacturers compare? Have we gotten out selector lists to our drivers early enough to place orders that will qualify for these incentives? It can mean $150 to $500 up-front savings.

Do we know the option packages available, so that we can get better-equipped vehicles, happier drivers, and higher resale? For example, this year, one manufacturer is offering a package on one of its fleet cars that consists of a convenience group: tilt wheel, electric defrosters, electronic AM/FM stereo cassette, and air conditioning. The retail value is $1,362. The discount from retail is $462. This, in combination with the $350 "Fast Start" Incentive and $500 Model-Year Incentive, represents a discount of over $1,300 on a good fleet car with enhanced resale. In addition, the option package pays for itself. It's not easy to keep up with all these programs, but I assure you it's worth the effort.

- Seventh, is the *method of merchandising*. This is an important variable we have some control over, and it makes a big difference in the final selling price of our units.

Therefore, it impacts our overall holding costs. Many savvy fleet managers are working to set up employee purchase programs. Fleet vehicles due for replacement are offered for cash sale to employees. Usually, the current operator has first right of refusal. Employee sales help the fleet manager in at least two ways. First, selling to an employee is a quasi-retail transaction—somewhere between wholesale and retail pricing—that brings a better return to the company. Second, knowing that he has the option to buy the vehicle, the employee is usually more conscientious about maintaining and servicing the vehicle, thereby reducing the running costs to the company and enhancing resale.

After employee sales, the next best method of disposal is to sell directly to used-car dealers. Since they in turn sell directly to the retail public, there is no middle man and, consequently, the selling price is somewhat higher. Each dealer generally looks for a specific type unit. Some like only cream puffs; others specialize in high mileage, others want only sporty models. If you use only this approach, you need a lot of dealers!

A third method is through wholesalers, the middlemen who sell to dealers. These buyers will generally purchase many vehicles at a time, offering the convenience of bulk sales, but at lower prices.

A fourth method is to merchandise vehicles at auctions. Auctions are a convenient method of merchandising, to be sure. I would point out, however, that there are costs associated with auctions, such as fees of various types, that can cut into your net returns. Also, it's best to run a unit through an auction at a time and place when the right kind of buyer will be present. This, though, means some homework, following auction announcements and organizing your sales. Which means more work. I think the best advice is to view auctions as one of a number of avenues of marketing used vehicles.

If you do the selling yourself, explore the various avenues available, and make sure your lessor or fleet management company utilizes multiple markets, too. Beware of the lessor who depends on a single outlet.

I've been using the word "merchandising" instead of "disposal" to describe the selling of used cars in order to underline the need for a strategy or plan designed to maximize return.

Ideally, each unit could be evaluated to determine the best disposal method, given the make, mileage, condition, and other factors. To do that, however, would be to make a career of selling company cars. How many dealers do you know? You need a network, buyers for different product classes. You need to be totally current on the market. You need expertise to negotiate, but even more, you need time. It takes time to shop cars, market them to the right buyer, and process the paperwork.

In lieu of doing it yourself (time for a commercial), I think the best alternative is to hire someone to do it for you, a fleet management company with the staff, expertise, network, and other tools of the trade.

But, be careful. Make sure your leasing or fleet management company *really can* do it better. And the best way to determine capability is to make sure that you are aware of their historical performance. Further, make sure you understand how they stack up against their competition.

Finally, we should decide up-front to be realistic about our book depreciation rates. Set the units up so that large book losses are not incurred at resale time. The depreciation rate should agree with the planned service life and the market depreciation guidelines I touched on earlier.

The used-car market is a direct function of what's going on in the general economy — the value of the dollar, the cost of money, fear of recession, and what the manufacturers are doing with incentives and financing.

But all of these are variables that change quickly and often during the period between purchase and resale — the in-service and out-of-service dates on our vehicles. There's not much we can do about them, and it's hard to plan for them. In a topsy-turvy economy, where the leading indicators usually don't indicate anything very clearly, I think it is reasonable to be somewhat suspect of all forecasts. Someone once said that smart guys make forecasts that wise men ignore. Whether that's true or not, I think it's wise to focus first on the types of decisions we can control, and not base our decisions on speculation. We've been burned before. Fleet management is a lot like buying futures, investing in a commodity whose value today hinges on its probable value months and years down the road. And the brokers of futures always recommend spreading your investment to *minimize risk. The ideal is to maintain* enough variety in your fleet to allow the quickest and least expensive adaptation to changing market conditions.

In summary, achieving this ideal means balancing our attention to two types of issues. On the one hand, the up-front decisions that determine:

- what vehicles we put in our fleet;
- the variety of vehicles we use;
- the age and mileage criteria we use to decide replacement;
- the way we equip vehicles for each type of application, and
- the way we dispose of units at replacement time.

We control these up-front decisions, and we have facts, historical data, and common sense to guide us.

On the other hand, there are issues having to do with the direction of the economy as a whole, and how those developments will impact the value of our particular vehicles. I've said repeatedly that forecasting those trends or developments is terribly risky. You could win big, or you can lose your shirt. The most reasonable way to enhance used-car values is, in my mind, to make sure we've handled the "up-front" issues in as complete and *balanced* a manner as possible.

Sample Holding Costs

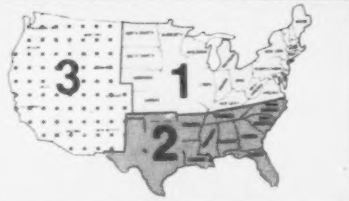
(30-Month Service Life)

Vehicle		[1]Original Cost	[2]Resale Value	Net Holding Cost
Class 1 (Sales/Service)	1985 Aries SE 4-cyl, AT, AC, PS, cruise.	$ 8,014	$3,240	$4,774 ($159/mo.)
Class 2 (Management)	1985 Marquis Brougham 6-cyl, AT, AC, PS, cruise, tilt, stereo, rear defroster.	$ 9,212	$4,078	$5,134 ($171/mo.)
Class 3 (Executive)	1985 Electra Park Avenue 6-cyl, AT, AC, PS, cruise, tilt, stereo/cassette, PW, PDL, power seats.	$13,344	$7,684	$5,660 ($189/mo.)

(1) Original Cost. Unit placed in service 10/84; dealer invoice less fleet allowances.
(2) Resale Value: 90% AMR (4/87) Clean, Zone 1 — adjusted for equipment and mileage (55,100 mi.).

USED CARS

The following are average car prices ending February 3, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



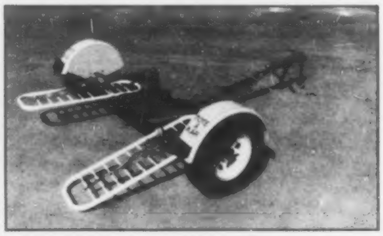
	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3650	3687	3577
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2844	2872	2787
86 AMC ENCORE			
Sdn 5-Dr S Series	3626	3663	3554
85 AMC ENCORE			
Sdn 5-Dr S Series	2817	2846	2761
86 BUICK SKYHAWK			
Cust Coupe	5038	5089	4937
Cust Sdn	5115	5166	5013
86 BUICK CENTURY			
Cust Sdn	6529	6595	6400
85 BUICK CENTURY			
Cust Sdn	5297	5350	5192
86 BUICK SKYLARK			
Cust Sdn	6533	6599	6403
85 BUICK SKYLARK			
Cust Sdn	3997	4038	3917
86 BUICK SOMERSET REGAL			
Coupe	6591	6656	6459
86 BUICK RIVIERA			
Coupe	10,732	10.839	10.518
85 BUICK RIVIERA			
Coupe	8882	8970	8705
86 BUICK LE SABRE			
Cust Sdn	8052	8132	7892
85 BUICK LE SABRE			
Cust Sdn	6501	6566	6371
86 CADILLAC DE VILLE			
Cpe	12,395	12,518	12,147
Sdn	12,557	12,683	12,308
85 CADILLAC DE VILLE			
Cpe	9616	9712	9423
Sdn	9616	9712	9423
86 CADILLAC SEVILLE			
Sdn	15,386	15,540	15,078
85 CADILLAC SEVILLE			
Sdn	13,228	13,361	12,966
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3294	3326	3229
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2624	2652	2572
86 CHEVY CAMARO			
Cpe	6925	6994	6786
85 CHEVY CAMARO			
Cpe	5819	5877	5703
86 CHEVY CAVALIER			
Sdn	4714	4761	4620
85 CHEVY CAVALIER			
Sdn	3761	3799	3687
86 CHEVY CELEBRITY			
Sdn	6105	6165	5984
85 CHEVY CELEBRITY			
Sdn	4742	4790	4648
86 CHEVY CAPRICE			
Sdn	6532	6597	6401
85 CHEVY CAPRICE			
Sdn	6130	6191	6006
86 CHRYSLER LE BARON			
Cpe	6061	6122	5941
Sdn	6121	6183	6000
85 CHRYSLER LE BARON			
Cpe	4882	4930	4786
Sdn	4913	4964	4816
86 CHRYSLER FIFTH AVENUE			
Sdn	9216	9308	9032
85 CHRYSLER FIFTH AVENUE			
Sdn	7558	7634	7405
86 DODGE OMNI			
Htchbk 4 Dr	3759	3795	3683
85 DODGE OMNI			
Htchbk 4 Dr	2949	2979	2890
86 DODGE ARIES			
Sdn	4678	4726	4583
85 DODGE ARIES			
Sdn	3550	3584	3478
86 DODGE DIPLOMAT			
Sln Sdn	5370	5424	5263
85 DODGE DIPLOMAT			
Sln Sdn	4157	4197	4072
86 DODGE LANCER			
Sdn	6045	6107	5925
86 DODGE 600			
Sdn	5770	5827	5654
85 DODGE 600			
Sdn	4414	4458	4326
86 FORD ESCORT			
Htchbk 4 Dr L Series	3937	3979	3859
85 FORD ESCORT			
Htchbk 4 Dr L Series	3106	3135	3043
86 FORD MUSTANG			
LX-4 Cpe	5583	5638	5470
85 FORD MUSTANG			
LX-4 Cpe	4566	4611	4476
86 FORD TAURUS			
GL Sdn 4 Dr	7721	7801	7569
86 FORD TEMPO			
GL Sdn 4 Dr	4908	4957	4810
85 FORD TEMPO			
GL Sdn 4 Dr	3835	3874	3759
86 FORD LTD			
Sdn	5100	5151	4997
85 FORD LTD			
Sdn	3993	4032	3911
86 FORD CROWN VIC			
Sdn	8624	8711	8453
85 FORD CROWN VIC			
Sdn	7088	7159	6946
86 FORD THUNDERBIRD			
Cpe	7356	7429	7210
85 FORD THUNDERBIRD			
Cpe	6075	6135	5952
86 LINCOLN CONTINENTAL			
Sdn	14,507	14,653	14,217
Town Car Sdn	13,210	13,341	12,944
Mark VII Cpe	14,144	14,284	13,861
85 LINCOLN CONTINENTAL			
Sdn	11.885	12,003	11,648
Town Car Sdn	10,732	10,839	10,518
Mark VII Cpe	11,642	11.758	11,408
86 MERCURY LYNX			
L Htchbk 4 Dr	3979	4018	3898
85 MERCURY LYNX			
L Htchbk 4 Dr	3134	3166	3072
86 MERCURY COUGAR			
Cpe LS	8183	8266	8020
85 MERCURY COUGAR			
Cpe LS	5539	5594	5429
86 MERCURY TOPAZ			
GS Sdn 4 Dr	5085	5136	4984
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3960	4000	3882
86 MERCURY MARQUIS			
Sdn	5194	5246	5091
85 MERCURY MARQUIS			
Sdn	4046	4088	3965
86 MERCURY GRAND MARQUIS			
Sdn	9206	9299	9022
85 MERCURY GRAND MARQUIS			
Sdn	7520	7596	7369
86 OLDS FIRENZA			
Sdn	5115	5166	5013
85 OLDS FIRENZA			
Sdn	4024	4063	3943
86 OLDS CIERA			
L Coupe	6459	6525	6331
L Sdn	6537	6602	6407
85 OLDS CIERA			
LS Cpe	5226	5278	5122
LS Sdn	5292	5345	5187
86 OLDS CALAIS			
Sdn	6557	6623	6427
86 OLDS CUTLASS SUPREME			
Cpe	7164	7236	7019
Sdn	6980	7051	6842
85 OLDS CUTLASS SUPREME			
Sdn	5758	5815	5642
86 OLDS DELTA 98			
Rgcy Sdn	9623	9720	9432
85 OLDS DELTA 98			
Rgcy Sdn	7878	7956	7719
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3757	3793	3681
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2945	2976	2887
86 PLYMOUTH RELIANT			
Sdn	4659	4704	4565
85 PLYMOUTH RELIANT			
Sdn	3551	3585	3480
86 PLYMOUTH CARAVELLE			
SE Sdn	5879	5937	5761
86 PLYMOUTH GRAN FURY			
Salon Sdn	5404	5458	5296
85 PLYMOUTH GRAN FURY			
Salon Sdn	4298	4339	4210
86 PONTIAC T-1000			
Sdn	3328	3362	3261
85 PONTIAC T-1000			
Sdn	2679	2706	2624
86 PONTIAC SUNBIRD			
Sdn	5061	5111	4958
85 PONTIAC SUNBIRD			
Sdn	3990	4032	3912
86 PONTIAC 6000			
Sdn	6353	6417	6227
85 PONTIAC 6000			
Sdn	4938	4987	4838
86 PONTIAC GRAND AM			
Sdn	6803	6870	6665
86 PONTIAC FIREBIRD			
Cpe	7011	7081	6871
85 PONTIAC FIREBIRD			
Cpe	5888	5948	5770
86 PONTIAC BONNEVILLE			
Sdn	6692	6759	6559
85 PONTIAC BONNEVILLE			
Sdn	5196	5248	5092
86 PONTIAC GRAND PRIX			
Cpe	7050	7122	6910
85 PONTIAC GRAND PRIX			
Cpe	5877	5937	5760
86 PONTIAC PARISIENNE			
Sdn	8034	8115	7876
85 PONTIAC PARISIENNE			
Sdn	6357	6420	6229
86 NISSAN SENTRA			
Std Sdn 2 Dr	4338	4381	4251
86 NISSAN STANZA			
GL Ntch 4 Dr	7008	7078	6868
86 NISSAN MAXIMA			
SE Sdn	10,103	10,204	9901
85 NISSAN SENTRA			
Std Sdn 2 Dr	3473	3508	3404
85 NISSAN STANZA			
XE Htchbk 4 Dr	5147	5198	5044
85 NISSAN MAXIMA			
SE Sdn	8333	8416	8166
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	6055	6116	5934
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	8146	8227	7983
86 TOYOTA CRESSIDA			
Lux Sdn	11,647	11,763	11,414
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5075	5126	4974
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	6656	6723	6523
85 TOYOTA CRESSIDA			
Sdn	9124	9215	8942
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	7126	7197	6983
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5923	5982	5805

NEW PRODUCTS

ent towing hooks. *Automotive Division, Liftex, Inc.*

Circle 207 on Inquiry Card

COMMERCIAL MODEL 137 will haul all vehicles from front or rear including compacts and one-ton pickups or vans. There are no removable parts to lose, and one person can easily load a vehicle in less than two minutes. The Tote-A-Car features a tubular design that enables it to be one of the most competitively-priced towing dollies on the market. *TowPro, Inc.*



Circle 208 on Inquiry Card

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Pine Bluff, AR	114.9	77.9
Los Angeles, CA	129.2	90.0
Hartford, CT	119.4	108.4
Pensacola, FL	119.6	86.9
Swainsboro, GA	104.5	74.4
South Bend, IN	121.9	82.2
Lexington, KY	111.9	83.9
Detroit, MI	132.2	90.0
Springfield, MO	108.4	74.6
Charlotte, NC	134.9	85.9
Las Vegas, NV	111.9	85.4
Brooklyn, NY	104.2	93.9
Oil City, PA	92.9	86.4
Corpus Christi, TX	108.4	82.6
Everett, WA	123.9	84.4

Survey conducted during the first five working days of February 1988. Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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BOBIT PUBLISHING

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

APRIL 1988
VOL. 27, NO. 6

Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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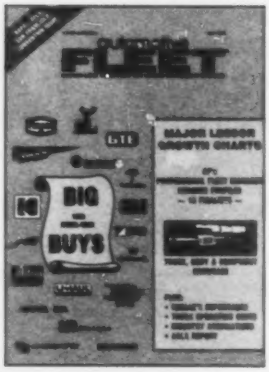

On the cover: Who made the big fleet buys for the 1988-model year? Corporations that made major acquisitions are presented beginning on page 29.

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The following charts chronicle the significant milestones and historical fleet growth of eleven vehicle lessors. Also, you'll find a time line charting key facts and events in the ever-changing vehicle leasing industry.

Milestones in the Vehicle Leasing Industry

ASSOCIATES LEASING, INC.

THE ASSOCIATES®
A GULF + WESTERN COMPANY

CAR AND TRUCK FINANCE AND NET LEASING, PROCUREMENT, AND DISPOSAL PROGRAMS: FLEET MANAGEMENT AND OPERATING COST CONTROL PROGRAMS.

ALI founded 1978

John Kines, Exec. Vice Pres.

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1988	43,000*	10 year anniversary of company's founding.
1987	40,600	ALI acquires Fruehauf Finance Co., Detroit, MI in May 1987.
1985		ALI acquires Vandenberg Leasing, Grand Rapids, MI in Sept. 1985.
1984		ALI acquires Kayser Leasing, Madison, WI in Aug. 1984.
1981	9,100	Dobbs Fleet Leasing in Memphis, TN acquired by ALI in Nov. 1981.
1978	1,000	ALI established April 1978.

*Estimate as of April 1988.

AUTOMOTIVE RENTALS, INC.

ARI

CAR AND TRUCK FINANCE, NET MAINTENANCE LEASING, PURCHASE AND DISPOSAL PROGRAMS, EQUIPMENT LEASING, FLEET MANAGEMENT, MAINTENANCE CONTROL SYSTEMS, AND TRUCK BODY & EQUIPMENT DIVISION

ARI founded 1948.

Michael Laporta, President

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1988	70,500	Customer on-line access sysem launched in 1983.
1983	53,000	Acquired McLarty Leasing, 5,000 vehicles in Nov. 1983.
		On-line Maintenance Management Control system introduced in 1982.
1978	29,000	Acquired Interlease Corp., 7,000 vehicles in Jan. 1980.
1973	28,500	Southeast sales district office opened in 1975.
1968	24,000	First mainframe computer installed in 1968.
1963	13,500	Acquires first franchise offered by Ford Authorized Leasing System in 1958.
1958	5,400	ARI becomes charter member of AALA in 1955.
1948	—	Company founded.

DONLEN

FLEET LEASING AND MANAGEMENT, INFORMATION MANAGEMENT, VEHICLE MAINTENANCE MANAGEMENT, AND INDIVIDUAL LEASING.

Donald Rappeport, Chairman and Chief Executive Officer

Donlen founded 1965

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	30,000	
1985	24,000	
1980	13,000	
1975	8,000	
1970	5,000	
1965	1,000	Company founded by Donald Rappeport and Leonard Vine.

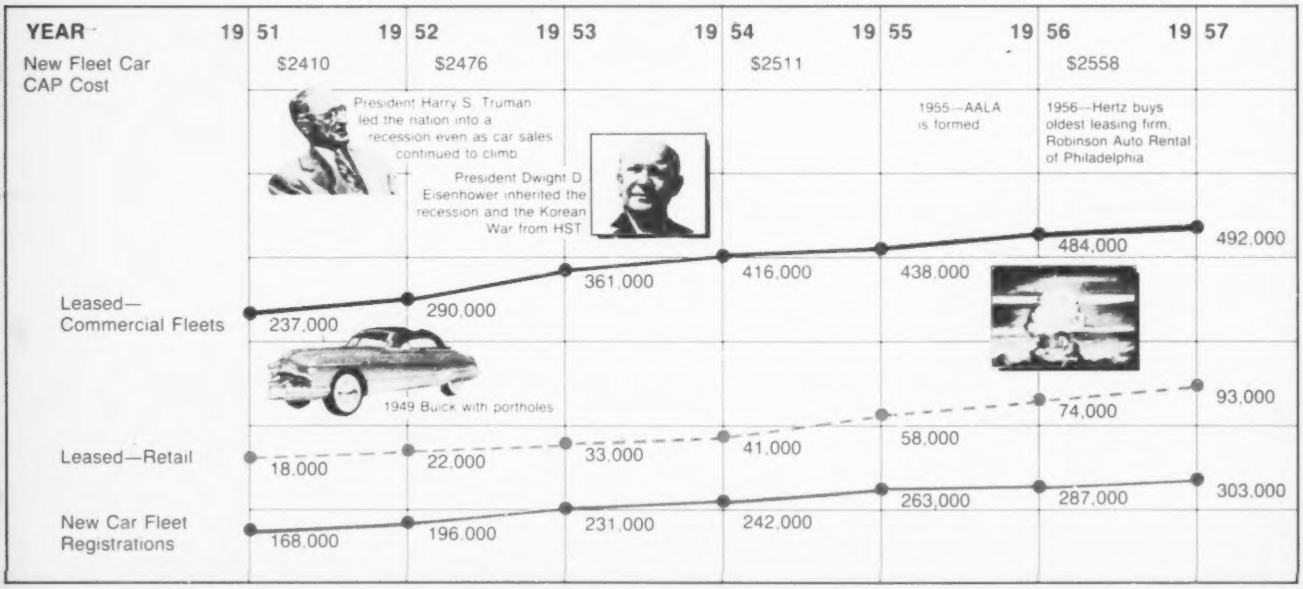
ENTERPRISE LEASING CO.

CAR AND TRUCK LEASING AND DAILY RENTAL

Andrew Taylor, President

Enterprise founded 1957

Year	No. of Vehicles Lease	Rental	Acquisitions/Ownership Changes or Milestones
1987	22,033	42,794	Enterprise opens 250th branch office.
1982	13,305	11,034	Opens 100th branch office in 1983.
1977	8,386	2,317	Acquires AirCar Rental in Southern Calif. in 1980.
1972	6,567	659	Jack Taylor acquires controlling interest in company in 1971. Opened first out-of-town office in Atlanta in 1969.
1967	3,875	153	Enterprise enters car-rental business in 1961.
1961	1,526	14	Opened first branch office in South St. Louis in 1961.
1957	17	—	Company founded in St. Louis.



(continued on page 44.)

GE CAPITAL FLEET SERVICES

Jim Rogers,
President,
General Manager

(Company formed through consolidation of Kerr Leasing, D&K Financial, and Gelco Fleet Management Services portfolios.)

LEASING AND MANAGEMENT SERVICES

GE Capital Fleet Services formed 1987

GELCO Fleet Management Services

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	420,000	Purchased by GE Credit Corp., Dec. 17, 1987. Combined portfolios of D&K Financial & Kerr Leasing.
1982	246,000	
1977	*	Went public — Listed on NY Stock Exchange, 1977.
1972	*	Acquired Valley Leasing Co. Acquired Feld Leasing Co., 1974. Name changed to Gelco Corporation, 1972. Acquired Lease Plan, Inc., 1972.
1967	*	Acquired Selig Leasing Co., 1971 Acquired Interstate Fleet Corp., 1971 Acquired Interstate Vehicle Management, 1968
1962	*	
1957	*	General Leasing Co. established.

*Fleet totals unavailable.

D&K FINANCIAL

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	150,000	D&K acquired by GECC, 1987.
1986	over 100,000	Named changed to D&K Financial Corp. (split of Dart & Kraft), 1986. Acquired Leaseway Fleet Mgmt. Corp., 1985
1982	50,000	Acquired Gambles C&M Leasing; Dart & Kraft Financial Corp. is created, 1982
1978	13,000	Dart Industries forms internal vehicle leasing subsidiary - Dart Leasing, 1978.

KERR LEASING

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	20,000	Kerr Leasing & Fleet Services Co. purchased by General Electric Credit Corp. in 1984.
1981	12,000	
1976	3,000	Name changed to Kerr Leasing & Fleet Services Co. in 1980. Kerr Leasing, Inc. established in 1971.

LEND LEASE CARS, INC.

(Company formed from CFR Leasing and Lend Lease Car merger.)

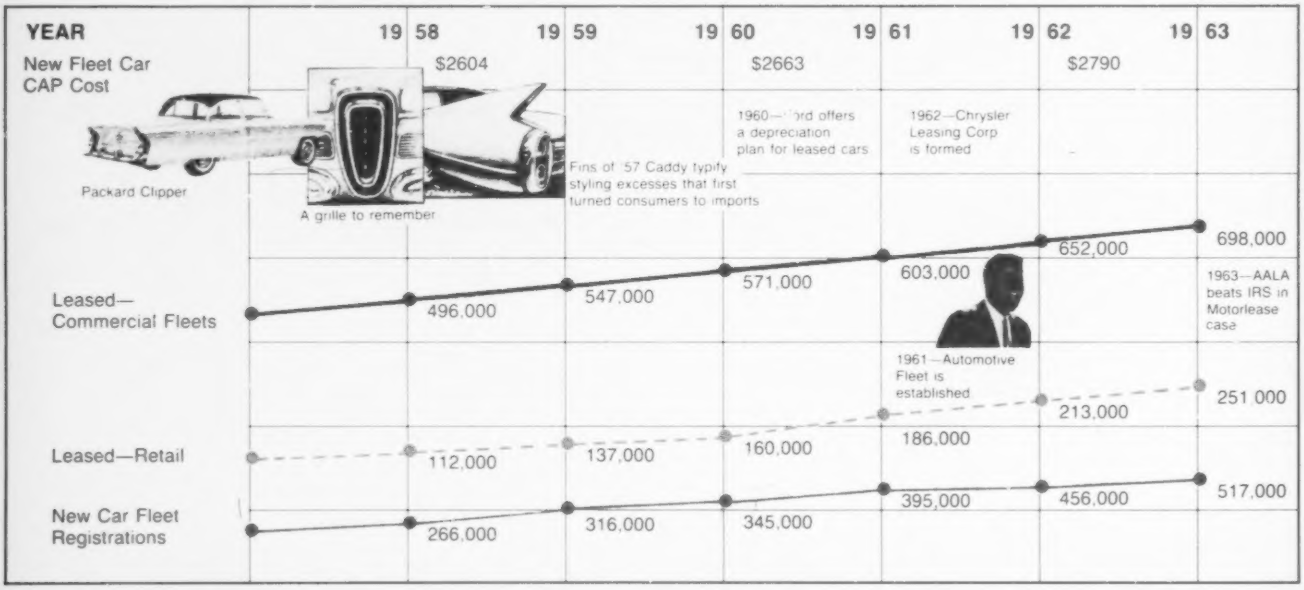
Bruce Hinlein,
President,
Chief Exec. Officer

VEHICLE LEASING AND FLEET MANAGEMENT SERVICES THROUGHOUT U.S. AND CANADA. OPEN-END, CLOSED-END, MAINTENANCE MANAGEMENT, INSURANCE, TBA NATIONAL ACCOUNT, FUEL CREDIT CARDS.

Lend Lease founded 1946
CFR founded 1950

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	13,000 (CFR) 58,000 (Lend Lease)	CFR purchases Lend Lease Cars from National Car Rental Systems.
1986	11,000 (CFR)	CFR moves headquarters to 36,000-sq. ft. office building situated on 36-acre site in New Castle, DE.
1985	52,000 (Lend Lease)	
1980	9,000 (CFR) 28,000 (Lend Lease)	Chestnut Fleet Rentals (CFR) acquires Rollin Auto Leasing.
1979	24,000 (Lend Lease)	Lend Lease consolidates all vehicle leasing under the name Lend Lease.
1977	16,000 (Lend Lease)	Lend Lease established Canadian subsidiary Lend Lease, LTD.
1969	*	National Car Rental, parent company of Lend Lease, purchased by Household Finance.
1968	*	
1965	*	
1960	*	
1955	*	
1950	*	

*Fleet totals unavailable.



LMV LEASING, INC.

LMV LEASING, INC.

ACQUIRES, FINANCES, MANAGES, AND SELLS VEHICLES FOR BUSINESS CLIENTS NATIONWIDE

John McKean, Chairman

LMV Leasing founded 1952

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	38,000	Custom Leasing program for individuals marketed nationwide in 1987. CostMaster maintenance management system developed in 1986. First regional office opened in 1985.
1982	7,500	Acquired by Xerox Credit Corp. in Dec. 1983.
1977	5,200	Headquarters moved to new industrial park in 1977.
1972	4,400	Name changed to LMV Leasing, Inc. in 1972.
1967	3,600	John McKean named president in 1967.
1962	2,900	Fleet maintenance management system implemented in 1962.
1957	2,100	
1952	1,500	Company founded as Lease Motor Vehicles in Pittsburgh, starting as a fleet leasing subsidiary of McKean automobile dealerships.

McCULLAGH LEASING

An affiliate of BancNewEngland Leasing Group

McCULLAGH

AUTOMOBILE AND TRUCK LEASING, FLEET MANAGEMENT SERVICES

Jim Culotta, President

McCullagh Leasing founded 1949

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1988	80,000	Bank of New England acquires McCullagh in 1987. CDC divests Commercial Credit-McCullagh in 1986.

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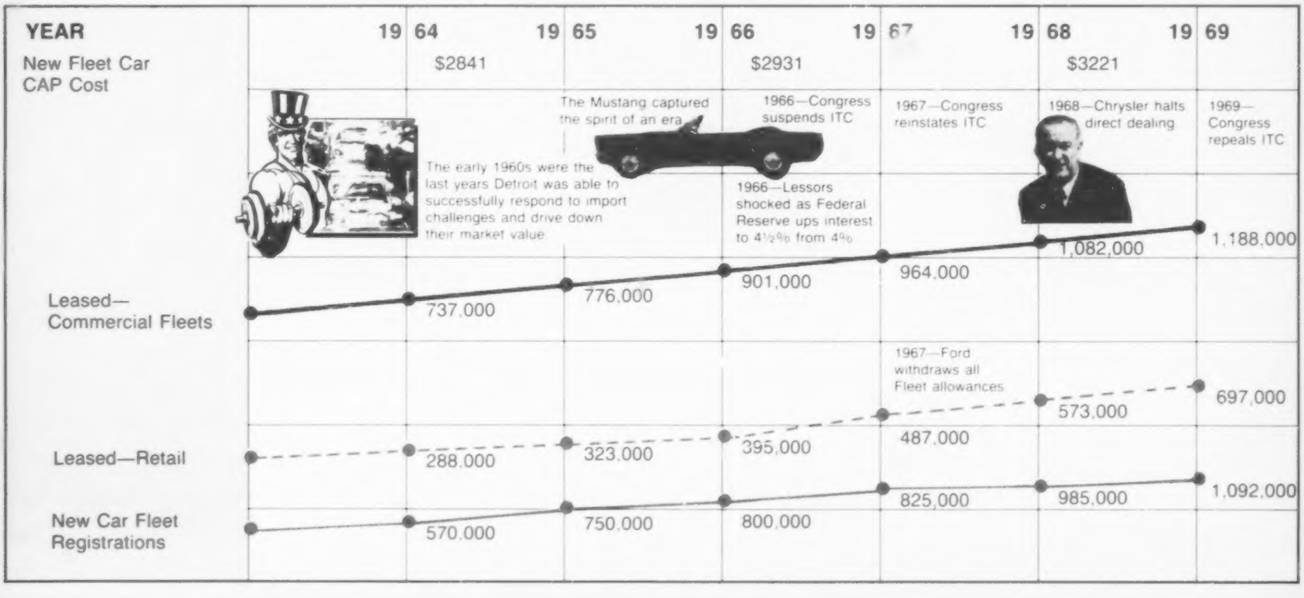

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Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1984	67,000	
1979	60,000	McCullagh launches MCL Rent-a-Car in 1980.
		McCullagh acquires American Truck and Auto Leasing in 1978.
1974	50,000	McCullagh acquires Public Service Fleets in 1976.
1969	42,000	CC/McCullagh acquired by Control Data Corp. in 1968.
1964	30,000	McCullagh acquired by Commercial Credit Co. in 1967.
1959	24,000	
1954	6,000	
1949	100*	Founded in Detroit.

*Estimated fleet total.

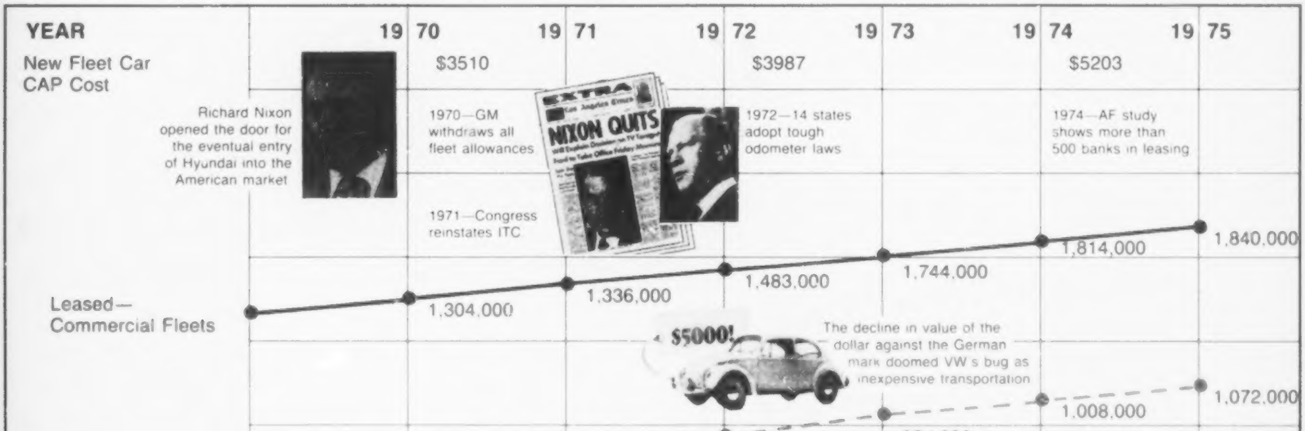
PETERSON, HOWELL & HEATHER, INC.

CAR AND TRUCK FLEET MANAGEMENT, VEHICLE LEASING, EQUIPMENT LEASING, VEHICLE EXPENSE MANAGEMENT, AUTOMOTIVE SERVICES, AND MAINTENANCE CONTROL

Phil Taff, President

PH&H founded 1946

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1988	290,000	Acquired Avis Car Leasing, Oct. 1986.
1985	243,000	Developed commercial paper Flex program in 1981.
1980	188,000	Set up employee lease/buy used-vehicle program in 1980.
1975	approx.	Set up first computer direct ordering program in 1981.
	155,000	Maintenance Control program begun in 1985.
1970	130,000	
1965	91,000	Equipment leasing added in 1962.
1960	57,000	Vehicle Expense Control Program begun in 1961.
1955	23,000	Began Statistical/Reporting Program in 1954.
1950	3,800	Tire purchase program inaugurated in 1953.
1946	130	Company founded by Dwayne Peterson, Harley Howell, and Richard Heather in Baltimore, MD.



UNITED STATES FLEET LEASING, INC.

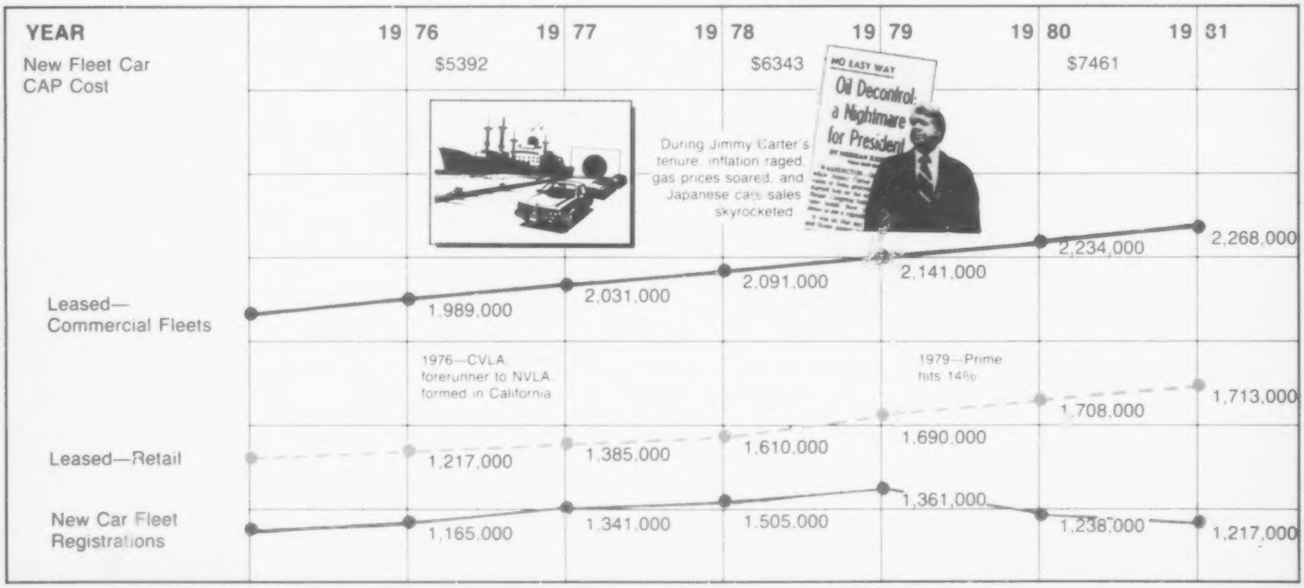
United States Fleet Leasing, Inc.
US

OPEN- AND CLOSED-END LEASING, GUARANTEED MAINTENANCE AND FLEET MANAGEMENT SERVICES.

Henk Bosman, President

USFL founded 1964

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1987	60,000	USLI, parent company of USFL, acquired by Ford Motor Co.
1984	46,000	Acquired Hertz Car Leasing in 1986.
		USFL acquires Hertz Vehicle Management Corp. in 1983.
1982	33,000	USFL acquires Consolidated Leasing Corp. in 1982. Fleet Investment Corp., Inc. acquired by USFL in 1981.
1979	30,000	Acquired Crocker McAlister Leasing in 1977.
1974	8,000	Name changed to United States Fleet Leasing, Inc. in 1973. Acquired Western Auto Leasing, Inc. in 1973. USFL acquired by United States Leasing International in 1972.
1969	1,800	Minority interest sold in 1969.
1965	385	H. Bosman buys out other shareholders in 1965. H. Bosman founded company as Vehicle Lease and Management Services, Inc. in August 1964.



During Jimmy Carter's tenure, inflation raged, gas prices soared, and Japanese cars sales skyrocketed.

1976—CVLA forerunner to NVLA formed in California

1979—Prime hits 14%

WHEELS,INC.

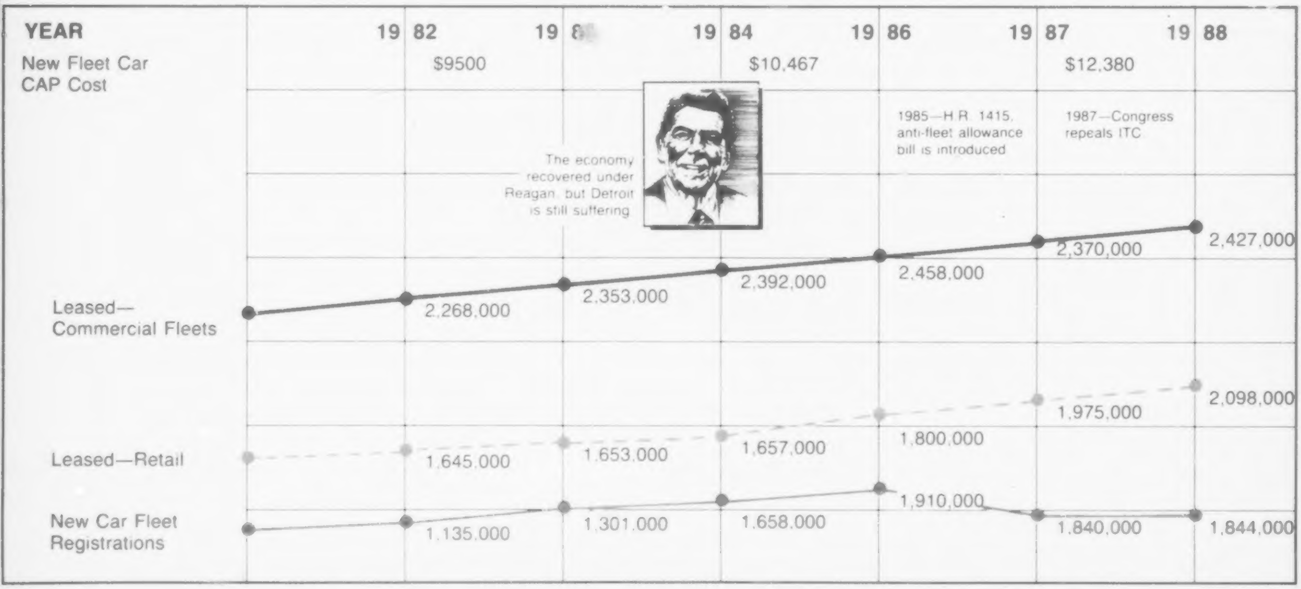
WHEELS inc.
Business moves better with Wheels · Since 1939

FLEET MANAGEMENT AND LEASING

Zollie Frank Chairman of the Board

Wheels founded 1939

Year	No. of Vehicles	Acquisitions/Ownership Changes or Milestones
1988	100,000+	
1984	84,000	Moved to Des Plaines, IL from Western Avenue in Chicago, IL
1979	67,400	Maintenance Management goes "On Line" with introduction of M.A.P. system in 1977.
1974	45,500	Jim Frank named president.
1969	25,400	First version of Maintenance Management option for open-end lease vehicles.
1964	15,600	Jim Frank joins company.
1959	8,100	First mainframe computer system installed.
1954	3,600	The Wheels, Inc. name was added for the new, open-end lease program.
1949	2,000	
1939	5	Zollie Frank and Armund Schoen founded the company under the Four Wheels Co. name, offering closed-end leases.



MAINTENANCE

Cutting fleet maintenance expenses can begin by encouraging drivers to participate in a well-administered car care program, which can reduce downtime, improve safety, and increase resale values while enhancing morale.

Motivating Drivers to Care for Cars

Corporate profitability often depends on a company's fleet maintenance program. Fleet managers can go a long way toward strengthening their control over costs during a vehicle's life cycle by motivating drivers to adhere to a program designed to involve them in maintaining the vehicles they operate. An effective program can result in reduced downtime, safer vehicles, increased profits, and improved residuals. Results of a recent survey define two approaches used by fleet professionals to get drivers to maintain fleet vehicles. One method involves a system of charging drivers for excess abuse to assigned vehicles. The second motivates drivers by allowing them to purchase vehicles at the end of their fleet life cycle.

According to the survey, conducted by Runzheimer International, 45 percent of fleet managers indicated that the option to purchase was "very important" in motivating drivers to care for vehicles, while only 20 percent felt that charging for excess wear and tear was "very important."

Charging for Wear and Tear

While 41 percent of government and law enforcement fleet managers felt that charging for abuse was "very important," only 25 percent of fleet professionals in "manufacture" and "other" categories shared that view. Long life cycles and accountability to taxpayers probably influence government and law enforcement fleet managers' responses. Other respondents practically ignore the option. Almost two-thirds of the fleet managers in the utility and manufacture of industrial goods categories felt that charging for excess wear and tear was not important. Of the fleets that own vehicles, 25 percent are most likely to penalize drivers for vehicle abuses, and even fewer respondents in the leased-only category rate the consideration as "very important." Those responses reflect among leased-fleet managers the concern for resale values, since, under closed-end leases, lessors often charge penalties for vehicles returned in below average condition.

Charging for excess wear and tear presents several advantages to fleet management. It saves the company money, motivates employees to care for vehicles, and encourages employees to follow vehicle maintenance schedules. On the negative side, the practice can result in bad feelings if the charges are disputed. Charging for excess wear and tear requires that fleet managers obtain value estimates of vehicles at disposal time. Here is a four-step procedure:

1. Determine an average resale value for the vehicle, using *AMR*

Motivating Drivers to Maintain Vehicles

(Percent Ranking by Level of Importance)

Method Surveyed	Very Important	Somewhat Important	Not Important
Option to purchase vehicle at end of cycle	45%	20%	35%
Need to carry passengers	27%	52%	21%
Using selector list for options	20%	30%	50%
Using selector list for cars	19%	25%	56%

or *Blue Book* trade-in values, for example;

2. Establish an actual trade-in value for the vehicle;
3. Calculate the difference between resale value and actual trade-in value, and
4. Charge the difference to the driver.

An effective vehicle maintenance program should have built-in ways to motivate drivers to maintain their vehicles. A charge-back program can work in conjunction with an effective preventive maintenance program, which provides for regular vehicle inspection, lubrication service, and parts replacement as needed. To motivate drivers to participate in a preventive maintenance program, advise them of what the program requires of them; provide them with materials and forms that will help them perform under the program; request driver input and evaluation of the program; conduct vehicle inspections regularly, and require inspections performed in the fleet shop at the end of a vehicle lease to help reduce any lessor penalty charges.

Option to Purchase at End of Life Cycle

Nearly half (45 percent) of the fleet professionals responding to the survey indicated that it was "very important" to provide drivers with the option to purchase vehicles at the end of their life cycles as a means of motivating drivers to maintain vehicles.

Among methods used to motivate drivers to care for vehicles, the employee purchase option tops the list. More than nine out of 10 fleet managers employed by manufacturers of consumer products consider the employee purchase option to be "very important." Fleet administrators for drug and cosmetics companies and manufacturers of industrial products also see this method as highly motivating. Only managers of utility and government/law enforcement fleets ranked the option comparatively low. Business classification relates to the types of vehicles selected and their purposes. Vehicles used by sales representatives are generally of a model and type which employees would rather purchase for personal use at the end of the vehicle's life cycle. Since utility and government fleet vehicles are often of a special-purpose type, and have extended life cycles, employees are not as likely to purchase them for personal use.

In addition, government and utility fleets are often operated under well-established, in-house preventive maintenance and repair programs. Commercial fleets, on the other hand, must rely on drivers to meet preventive maintenance schedules. Utility and government fleets tend to be centralized, which allows greater maintenance control over vehicles. Consequently motivating drivers to care for vehicles toward eventual purchase is not as important. Commercial fleets are often dispersed, making maintenance more problematic, meaning that driver motivation is more important.

Fleet managers who want drivers to purchase vehicles at the end of their life cycles should select vehicles that are attractive to drivers at disposal time. Controlling fleet costs depends upon protecting residuals while containing the inevitable depreciation losses. To counter this, fleet managers should develop selector lists of popular, properly-equipped vehicles that will be desirable to drivers. Projected depreciation should be built into a total life cycle cost analysis. An employee purchase program minimizes depreciation losses, but should not be a substitute for a thorough cost analysis.

The survey also revealed the ranking of the purchase option concept on the basis of type of fleet ownership. Managers of totally leased fleets (67 percent) indicated that the option was "very important" in motivating drivers to maintain vehicles. Company-owned and leased fleet and totally company-owned fleet managers found the option not as important. Totally leased fleets tend to be sales intensive. The companies want to stay out of the fleet business, so they employ leasing companies to handle fleet operations. Leasing companies recommend relatively short vehicle replacement cycles (55,000 miles or fewer), vehicle and equipment selections that will enhance resale values, and national account programs for maintenance needs. These factors, coupled with a semi-retail price at disposal time, make the fleet vehicle a "good" buy for a driver.

Ranking Importance of
Charging for Excess Wear and Tear
(Type of Fleet Ownership of Respondents)

Type Of Ownership	Very Important	Somewhat Important	Not Important
Company-owned Only	25%	20%	55%
Leased Only	19%	34%	47%
Leased and Company-owned	17%	23%	60%

However, the buy is only good, if the vehicle has been cared for.

Logically, the company develops a selector list of options and accessories; involves the driver in the vehicle selection process using the selector list; obtains a fleet vehicle through the lessor; provides a maintenance program through the vehicle's life; phases the vehicle out of the fleet after relatively few miles, and offers the vehicle to the driver for purchase. Drivers respond to these policies by taking care of the vehicles.

Option to Purchase Vehicle at End of Cycle
(Percent Rankings by Type of Fleet Ownership)

Type Of Ownership	Very Important	Somewhat Important	Not Important
Leased Only	67%	15%	18%
Company-owned and Leased	39%	27%	34%
Company-owned Only	31%	18%	51%

Driver involvement in the selection process, emphasis on preventive maintenance, and the eventual purchase option go hand-in-hand. Fleet managers of company-owned fleets should also consider employee purchase programs. However, these programs must be weighed against the time, expense, and administrative work vehicle resale requires. Companies that own fleet vehicles must administer all the paperwork associated with the sale of the vehicles. Another negative aspect is that the fleet manager takes on the responsibilities of used-vehicle sales, dealing with financial institutions, outside service technicians, and others. Also, there are legal implications associated with the sale of vehicles to employees. Those involved in vehicle sales must be familiar with laws that vary from state to state. Finally, there is the possibility that drivers may abuse the maintenance requirements by having work done on a vehicle that may not be necessary, because the driver knows he'll eventually be able to purchase the vehicle. This has the potential of driving up fleet maintenance costs.

It's possible that a combination of both charging excess wear and tear to drivers and motivating drivers through purchase options can be used effectively to motivate drivers to maintain vehicles. The benefits of decreased costs and safer, more efficiently run fleets should accrue to fleet professionals who use both these methods.

Maintenance: How Much Can Drivers Spend?

When fleet vehicles on the road require servicing or repairs, what is the maximum amount drivers should be allowed to spend before requesting authorization from management?

This is a concern of many fleet managers, especially those whose vehicle fleet is widely dispersed and must rely on a national account program or a local repair facility for service and supply. According to nearly one-fourth of the fleet managers queried during a recent survey, the maximum amount a driver could spend without authorization was between $51 and $75. It is worth noting that the degree of control fleet managers want over their fleets influences the dollar amount they'll allow drivers to spend without authorization. It may be argued that smaller, highly-controlled fleets tend to have greater unauthorized expense limits than larger fleets. However, the survey revealed no appreciable pattern between fleet size and maintenance allowance.

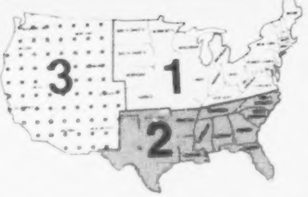
The big question for fleet managers remains: At what amount should a driver seek authorization from management for service or repairs? While there seems to be no established criteria for determining the maximum amount a driver should be allowed to spend without authorization, there are two considerations worth noting as a policy is developed.

First, a lower unauthorized maintenance ceiling, say $50 or less, will provide more control over driver purchases and service operations. But $50 doesn't buy much in the service/repair marketplace. Fleet managers may not want to be bothered by requests for a tire purchase, tuneup, or minor repair. The tradeoff is very tight control over the fleet versus authorization requests for the most basic maintenance functions.

Second, a higher unauthorized maintenance cap, say $100 or more, eliminates the need for drivers to request authorization for tuneups and most minor repairs. That leads to the question: Was that repair necessary, and could that money have been saved by doing something else? For example, a $15 savings per car in a 1,000-car fleet could become a significant cost.

USED CARS

The following are average used car prices for the period ending March 2, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone 3
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3595	3632	3523
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2774	2800	2718
86 AMC ENCORE			
Sdn 5-Dr S Series	3547	3583	3476
85 AMC ENCORE			
Sdn 5-Dr S Series	2756	2783	2701
86 BUICK SKYHAWK			
Cust Coupe	4953	5003	4854
Cust Sdn	5029	5078	4928
86 BUICK CENTURY			
Cust Sdn	6386	6451	6260
85 BUICK CENTURY			
Cust Sdn	5192	5244	5088
86 BUICK SKYLARK			
Cust Sdn	6416	6480	6288
85 BUICK SKYLARK			
Cust Sdn	3937	3978	3859
86 BUICK SOMERSET REGAL			
Coupe	6473	6536	6343
86 BUICK RIVIERA			
Coupe	10,465	10,569	10,256
85 BUICK RIVIERA			
Coupe	8688	8773	8514
86 BUICK LE SABRE			
Cust Sdn	7931	8010	7774
85 BUICK LE SABRE			
Cust Sdn	6391	6455	6264
86 CADILLAC DE VILLE			
Cpe	12,148	12,269	11,906
Sdn	12,307	12,430	12,063
85 CADILLAC DE VILLE			
Cpe	9396	9490	9208
Sdn	9396	9490	9208
86 CADILLAC SEVILLE			
Sdn	15,080	15,231	14,778
85 CADILLAC SEVILLE			
Sdn	12,926	13,055	12,669
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3213	3243	3149
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2572	2599	2520
86 CHEVY CAMARO			
Cpe	6822	6889	6684
85 CHEVY CAMARO			
Cpe	5714	5772	5601
86 CHEVY CAVALIER			
Sdn	4606	4652	4514
85 CHEVY CAVALIER			
Sdn	3697	3735	3624
86 CHEVY CELEBRITY			
Sdn	5972	6030	5853
85 CHEVY CELEBRITY			
Sdn	4652	4700	4560
86 CHEVY CAPRICE			
Sdn	6454	6518	6324
85 CHEVY CAPRICE			
Sdn	6039	6098	5916
86 CHRYSLER LE BARON			
Cpe	5940	6000	5823
Sdn	5999	6060	5880
85 CHRYSLER LE BARON			
Cpe	4785	4832	4690
Sdn	4815	4866	4720
86 CHRYSLER FIFTH AVENUE			
Sdn	9060	9150	8879
85 CHRYSLER FIFTH AVENUE			
Sdn	7408	7481	7258
86 DODGE OMNI			
Htchbk 4 Dr	3666	3701	3592
85 DODGE OMNI			
Htchbk 4 Dr	2876	2905	2819
86 DODGE ARIES			
Sdn	4576	4622	4482
85 DODGE ARIES			
Sdn	3473	3505	3402
86 DODGE DIPLOMAT			
Sln Sdn	5252	5306	5148
85 DODGE DIPLOMAT			
Sln Sdn	4075	4113	3991
86 DODGE LANCER			
Sdn	5912	5973	5795
86 DODGE 600			
Sdn	5655	5711	5541
85 DODGE 600			
Sdn	4326	4369	4240
86 FORD ESCORT			
Htchbk 4 Dr L Series	3831	3872	3755
85 FORD ESCORT			
Htchbk 4 Dr L Series	3028	3057	2967
86 FORD MUSTANG			
LX-4 Cpe	5499	5554	5388
85 FORD MUSTANG			
LX-4 Cpe	4497	4542	4409
86 FORD TAURUS			
GL Sdn 4 Dr	7491	7569	7344
86 FORD TEMPO			
GL Sdn 4 Dr	4800	4849	4705
85 FORD TEMPO			
GL Sdn 4 Dr	3751	3789	3677
86 FORD LTD			
Sdn	5004	5053	4902
85 FORD LTD			
Sdn	3917	3956	3837
86 FORD CROWN VIC			
Sdn	8547	8633	8377
85 FORD CROWN VIC			
Sdn	6966	7066	6856
86 FORD THUNDERBIRD			
Cpe	7267	7340	7124
85 FORD THUNDERBIRD			
Cpe	5996	6056	5874
86 LINCOLN CONTINENTAL			
Sdn	14,218	14,362	13,934
Town Car Sdn	12,947	13,076	12,687
Mark VII Cpe	13,862	13,999	13,585
85 LINCOLN CONTINENTAL			
Sdn	11,684	11,800	11,451
Town Car Sdn	10,551	10,656	10,340
Mark VII Cpe	11,445	11,559	11,215
86 MERCURY LYNX			
L Htchbk 4 Dr	3872	3911	3794
85 MERCURY LYNX			
L Htchbk 4 Dr	3056	3088	2996
86 MERCURY COUGAR			
Cpe LS	8085	8167	7924
85 MERCURY COUGAR			
Cpe LS	6636	6702	6503
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4974	5024	4875
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3874	3912	3797
86 MERCURY MARQUIS			
Sdn	5096	5147	4995
85 MERCURY MARQUIS			
Sdn	3969	4011	3890
86 MERCURY GRAND MARQUIS			
Sdn	9096	9188	8914
85 MERCURY GRAND MARQUIS			
Sdn	7430	7505	7280
86 OLDS FIRENZA			
Sdn	5029	5078	4928
85 OLDS FIRENZA			
Sdn	3956	3994	3877
86 OLDS CIERA			
L Coupe	6317	6382	6192
L Sdn	6394	6457	6267
85 OLDS CIERA			
LS Cpe	5122	5173	5020
LS Sdn	5187	5239	5083
86 OLDS CALAIS			
Sdn	6440	6504	6312
86 OLDS CUTLASS SUPREME			
Cpe	7043	7113	6900
Sdn	6862	6931	6726
85 OLDS CUTLASS SUPREME			
Sdn	5661	5716	5546
86 OLDS DELTA 98			
Rgcy Sdn	9460	9555	9272
85 OLDS DELTA 98			
Rgcy Sdn	7744	7822	7588
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3664	3699	3590
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2872	2902	2816
86 PLYMOUTH RELIANT			
Sdn	4557	4601	4466
85 PLYMOUTH RELIANT			
Sdn	3474	3506	3404
86 PLYMOUTH CARAVELLE			
SE Sdn	5750	5807	5635
86 PLYMOUTH GRAN FURY			
Salon Sdn	5286	5338	5180
85 PLYMOUTH GRAN FURY			
Salon Sdn	4225	4266	4138
86 PONTIAC T-1000			
Sdn	3245	3279	3180
85 PONTIAC T-1000			
Sdn	2626	2652	2572
86 PONTIAC SUNBIRD			
Sdn	4950	4999	4850
85 PONTIAC SUNBIRD			
Sdn	3902	3944	3826
86 PONTIAC 6000			
Sdn	6214	6277	6091
85 PONTIAC 6000			
Sdn	4830	4878	4732
86 PONTIAC GRAND AM			
Sdn	6681	6747	6545
86 PONTIAC FIREBIRD			
Cpe	6906	6975	6768
85 PONTIAC FIREBIRD			
Cpe	5782	5842	5667
86 PONTIAC BONNEVILLE			
Sdn	6592	6658	6461
85 PONTIAC BONNEVILLE			
Sdn	5082	5133	4981
86 PONTIAC GRAND PRIX			
Cpe	6944	7016	6807
85 PONTIAC GRAND PRIX			
Cpe	5777	5837	5662
86 PONTIAC PARISIENNE			
Sdn	7914	7994	7758
85 PONTIAC PARISIENNE			
Sdn	6262	6324	6136
86 NISSAN SENTRA			
Std Sdn 2 Dr	4164	4206	4081
86 NISSAN STANZA			
GL Ntch 4 Dr	6798	6866	6662
86 NISSAN MAXIMA			
SE Sdn	10,002	10,102	9802
85 NISSAN SENTRA			
Std Sdn 2 Dr	3334	3368	3268
85 NISSAN STANZA			
XE Htchbk 4 Dr	4941	4990	4842
85 NISSAN MAXIMA			
SE Sdn	8250	8332	8084
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5934	5994	5815
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7983	8062	7823
86 TOYOTA CRESSIDA			
Lux Sdn	11,531	11,645	11,300
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4999	5049	4899
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	6523	6589	6393
85 TOYOTA CRESSIDA			
Sdn	9124	9215	8942
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6912	6981	6774
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5745	5803	5631

NEW PRODUCTS

and [illegible] lights are also standard features. For longer door life, heavy-duty, rear-door hardware has been installed. *Union City Body Co., Inc.*

Circle 209 on Inquiry Card

THE HP-8809 STILETTO Remote Control Alarm System includes a three-channel transmitter permitting the owner to remotely control the arming and disarming of alarms on up to two vehicles. The system features a trouble warning circuit with auto-zone bypass which notifies the operator of any malfunction when arming, and automatically compensates for it if the operator does not know. The exclusive key-sensing circuit prevents the vehicle doors from accidentally locking when the keys are left in the ignition. *Crimestopper Security Products, Inc.*

Circle 210 on Inquiry Card

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	149.9	134.9
Pine Bluff, AR	117.9	80.6
Sacramento, CA	137.9	96.2
Denver, CO	128.2	102.8
Washington, D.C.	137.4	99.8
Honolulu, HI	172.5	123.2
Spencer, IA	97.0	79.0
Emporia, KS	106.6	77.9
Minneapolis, MN	134.8	95.5
Springfield, MO	108.4	74.2
Albuquerque, NM	119.9	96.9
Portland, OR	103.9	N/A
Philadelphia, PA	110.7	87.7
Waco, TX	128.9	95.9
Milwaukee, WI	118.8	87.5

Survey conducted during the first five working days of March 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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Ed Sroczynski
Fleet Manager

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LINCOLN
MERCURY
SUBARU
IVECO TRUCKS

Circle 193 on Inquiry Card

MERCURY LINCOLN
SUBARU
IVECO
NVLA
NAFA AFFILIATE

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1988

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

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FACT BOOK

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1988 VOL. 27 SUPPLEMENT

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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ABP

business publication audit, inc. BPA

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Fleet Figures by Type and Size as of 1/1/88

CARS

Type of Fleet	Leased or Managed	Company-Owned	Employee-Owned	Total
Businesses with 25 or More Cars	2,093,000	252,000	410,000	**2,755,000**
Businesses with 10 to 24 Cars	334,000	143,000	332,000	**809,000**
Other				
Government (Federal, state, county, and local.)	92,000	446,000	—	**538,000**
Utilities	41,000	509,000	—	**550,000**
Police	5,000	235,000	—	**240,000**
Taxi	15,000	129,000	—	**144,000**
Daily Rental	75,000	725,000	—	**800,000**
Fleet Total	**2,655,000**	**2,439,000**	**742,000**	**5,836,000**
Individually-Leased (Lessors, either independent or dealers, leasing 1 to 9 cars as retail or consumer leases.)	2,098,000	—	—	2,098,000
INDUSTRY TOTAL	**4,753,000**	**2,439,000**	**742,000**	**7,934,000**

TRUCKS — CLASS I, II, AND III

Type of Fleet	Leased or Managed	Owned	Total
Businesses with 25 or More Light Trucks (Includes leasing, construction, plumbing, heating, food distribution, pest control, cable TV, etc.)	643,000	261,000	**904,000**
Businesses with 10 to 24 Light Trucks	169,000	85,000	**254,000**
Utilities	58,000	532,000	**590,000**
Government (Federal, state, county, and local.)	40,000	207,000	**247,000**
Other (Police, taxi, daily rental, etc.)	5,000	45,000	**50,000**
TOTAL	**915,000**	**1,130,000**	**2,045,000**

Car Fleet Registrations[1] By Month And Year

Totals include all fleets of 10 or more units.

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
JAN	117,455	136,778	117,135	110,666	93,700	100,500	141,669	158,782	181,524	188,000
FEB	117,726	118,112	97,789	100,205	78,300	91,200	142,006	142,643	162,615	159,100
MAR	124,982	127,114	118,773	108,836	84,500	105,800	136,526	162,472	164,697	165,300
APR	125,334	127,626	113,690	102,059	96,900	93,800	142,199	146,644	156,141	154,100
MAY	128,161	129,908	105,421	113,894	104,800	100,800	139,114	145,063	155,968	158,700
JUN	143,766	126,107	104,894	124,838	117,700	137,200	156,445	163,165	194,567	191,400
JUL	126,709	112,889	83,827	94,546	95,700	101,400	131,377	129,988	151,395	149,800
AUG	98,608	82,593	65,761	70,411	66,800	84,300	100,845	206,597	108,112	107,800
SEP	72,024	37,708	58,540	80,102	65,900	88,600	123,995	132,383	90,078	92,900
OCT	117,804	96,414	82,576	82,802	81,400	111,100	133,247	156,727	122,717	135,400
NOV	148,787	104,463	128,626	111,798	110,900	136,700	153,865	169,024	165,194	155,900
DEC	183,453	160,894	160,800	117,100	138,600	150,000	136,481	196,497	226,100	186,000[2]
Total	**1,504,809**	**1,360,606**	**1,237,832**	**1,217,257**	**1,135,200**	**1,301,400**	**1,637,769**	**1,909,985**	**1,879,108**	**1,844,400**

[1] Includes all government registrations
[2] December estimated

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WALKER-BUERGE The Ford Store

BUERGE RENAULT/JEEP

LINDQVIST MOTORS SAAB

11800 SANTA MONICA BLVD., W. LOS ANGELES (213) 820-2631

Circle 105 on Inquiry Card

New Fleet Vehicles Registered

CARS	On all accounts buying 10 or more new units each year.								In Thousands	
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987[2]
Renting/Leasing	1,117	1,030	887	895	841	1,014	1,251	1,590	1,594	1,615
Commercial	216	211	207	215	185	194	217	206	176	160
Government[1]	99	89	83	73	71	66	79	79	81	75
TOTAL	**1,432**	**1,330**	**1,177**	**1,183**	**1,097**	**1,274**	**1,547**	**1,875**	**1,851**	**1,850**
TRUCKS	On all accounts buying 10 or more new units each year								In Thousands	
Renting/Leasing	242	226	181	150	150	160	281	435	411	400
Commercial	231	246	199	182	147	144	207	225	203	212
Government[1]	80	86	88	70	67	66	78	95	103	93
TOTAL	**553**	**558**	**468**	**402**	**364**	**370**	**566**	**755**	**717**	**705**
COMBINED-CAR and TRUCKS	On all accounts buying 10 or more new units each year								In Thousands	
Renting/Leasing	1,359	1,256	1,068	1,045	991	1,174	1,532	2,025	2,005	2,015
Commercial	447	457	406	397	332	338	424	431	379	372
Government[1]	179	175	171	143	138	132	157	174	184	168
TOTAL	**1,985**	**1,888**	**1,645**	**1,585**	**1,461**	**1,644**	**2,113**	**2,630**	**2,568**	**2,555**

[1] Excludes Federal Government

[2] Month of December registrations are estimated.

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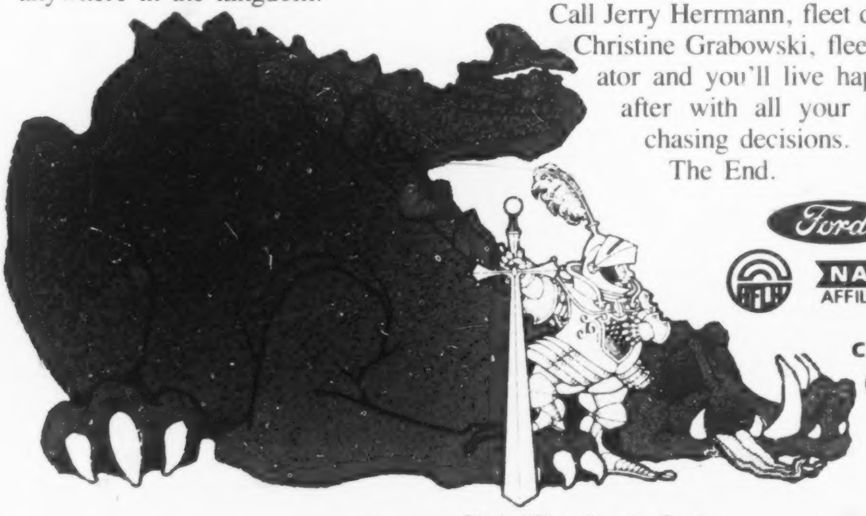

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Jerry Herrmann
Fleet Director

Ford

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Ford-Jeep-Eagle

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Circle 107 on Inquiry Card

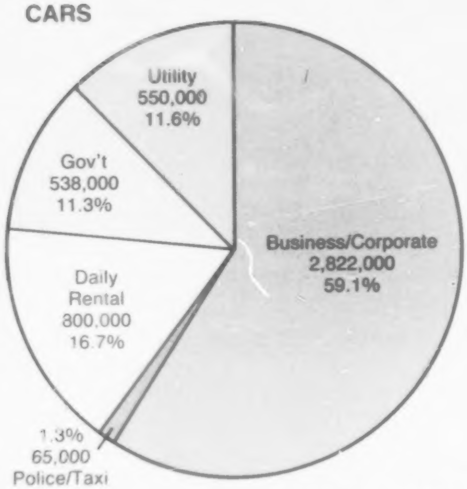
U.S. CARS IN FLEETS BY TYPE OF BUSINESS
(Owned and Leased)

TYPE OF FLEET	CARS (in Thousands)									
Business Fleets—25 or more	**1978**	**1979**	**1980**	**1981**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**
Salesman Owned	350	348	345	341	340	340	344	348	420	410
Company Owned	208	215	222	226	228	224	232	226	260	252
Leased by Companies (By Types of Lease)										
Finance & Management	1,540	1,580	1,588	1,617	1,525	1,553	1,545	1,630	1,600	1,632
Partial/Full Maintenance	187	184	234	230	319	315	313	352	305	313
Net/Fixed	123	121	146	139	136	134	156	168	145	148
TOTAL Fleet Leased	1,850	1,885	1,968	1,986	2,000*	2,060*	2,095*	2,150	2,050	2,093
Business Fleets—10-24 cars										
Owned	475	470	458	452	450	448	452	452	480	475
Leased	241	256	266	282	288	293	297	308	320	334
Individually Leased	1,610	1,690	1,708	1,713	1,645	1,653	1,657	1,800	1,975	2,098
Other Fleets										
Government	648	645	651	649	500	500	528	528	535	538
Utilities	523	529	532	537	530	533	540	540	545	550
Police	294	291	288	284	223	221	228	233	238	240
Taxi	205	207	205	198	141	139	140	140	143	144
Daily Rental	448	462	500	462	457	466	755*	760	790	800
Driver School	24	21	20	19	18	18	—**			
TOTAL	2,142	2,155	2,196	2,149	1,869	1,877	2,191	2,201	2,251	2,272
NOTE: Number of Cars in Fleets of 4 or More	10,423	10,428	10,433	10,436	10,076	10,400	10,475	10,508	10,560	10,578

Source: *Automotive Fleet* Research Department
* Adjustment with new data ** Combined with Business Fleets

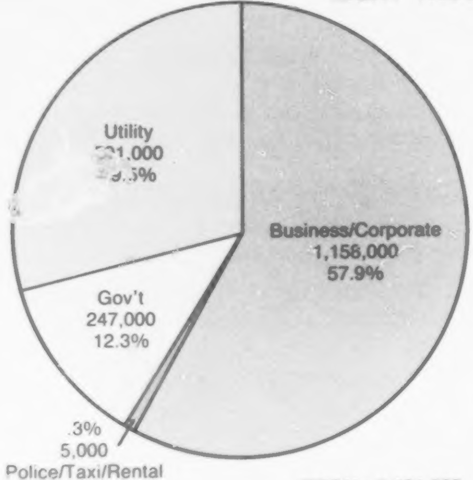
COMPOSITION OF THE *AUTOMOTIVE FLEET* FLEET/LEASING MARKET

CARS



TOTAL: 4,775,000
Avg. Annual Mileage — 27,500
Avg. Trade-in Time 30.2 mos.

LIGHT TRUCKS/VANS



TOTAL: 2,001,000
Avg. Annual Mileage — 18,500
Avg. Trade-in Time — 60.5 mos.

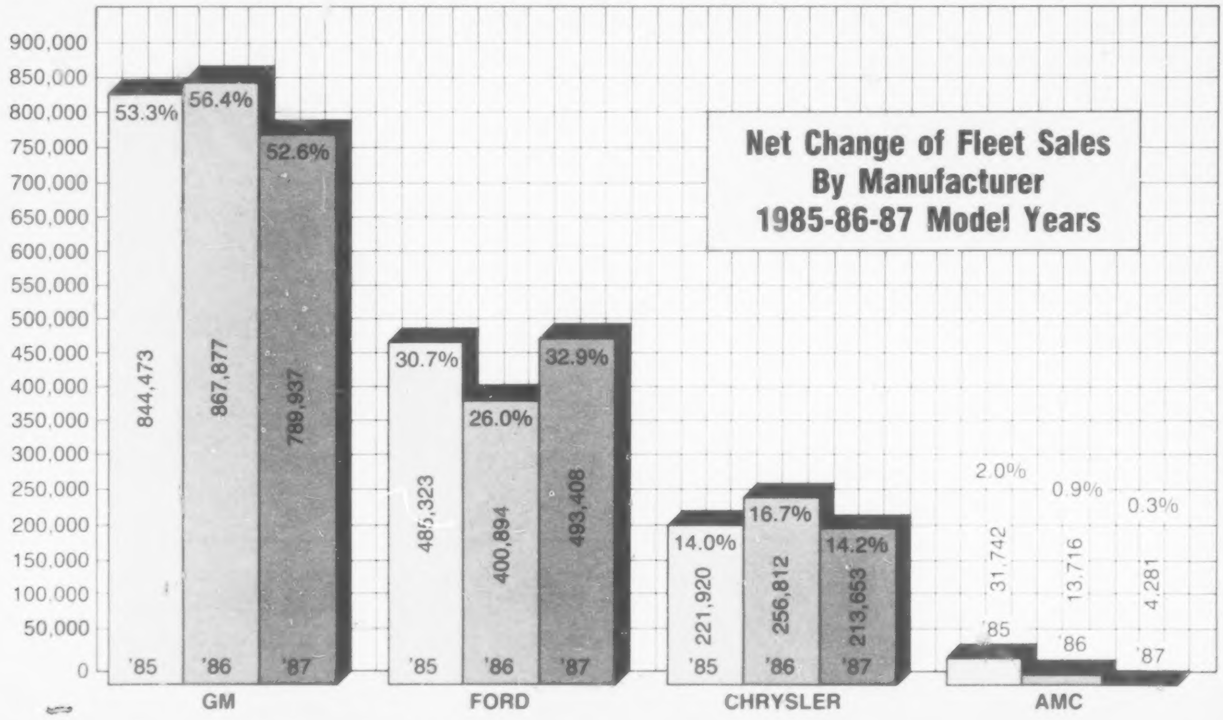
Fleet Registrations
1981-1987 Model Years

	1981	1982	1983	1984	1985	1986	1987
AMERICAN MOTORS	42,022 *3.7%*	27,928 *2.7%*	30,640 *2.8%*	33,739 *2.2%*	31,742 *2.0%*	13,716 *0.9%*	4,281 *0.3%*
BUICK	139,486 *12.2*	121,626 *11.9*	125,379 *11.5*	147,646 *9.8*	155,342 *9.8*	122,127 *7.9*	95,170 *6.3*
CADILLAC	23,626 *2.1*	25,301 *2.5*	30,496 *2.8*	45,408 *3.0*	41,946 *2.6*	39,540 *2.6*	49,565 *3.3*
CHEVROLET	262,572 *22.9*	214,275 *20.9*	199,391 *18.3*	284,690 *18.9*	323,540 *20.4*	348,727[1] *22.6*	355,359[1,2] *23.7*
CHRYSLER	20,730 *1.8*	17,415 *1.7*	26,102 *2.4*	42,545 *2.8*	47,209 *3.0*	61,035 *4.0*	40,135 *2.7*
DODGE	46,723 *4.1*	59,216 *6.0*	87,254 *8.0*	93,997 *6.2*	93,975 *5.9*	103,000 *6.7*	94,145 *6.3*
FORD	213,801 *18.7*	186,500 *18.3*	176,739 *16.2*	322,710 *21.4*	337,202 *21.3*	265,712 *17.3*	330,134[3] *22.0*
LINCOLN-MERCURY	97,626 *8.5*	101,914 *10.0*	113,121 *10.4*	155,302 *10.3*	148,121 *9.4*	135,182 *8.8*	163,274[2] *10.8*
OLDSMOBILE	165,738 *14.5*	135,478 *13.2*	158,342 *14.5*	194,320 *12.9*	189,137 *12.0*	193,510 *12.6*	137,842 *9.2*
PLYMOUTH	57,813 *5.0*	78,822 *7.1*	85,960 *7.9*	91,594 *6.1*	80,736 *5.1*	92,777 *6.0*	79,373 *5.3*
PONTIAC	74,333 *6.5*	58,366 *5.7*	56,975 *5.2*	96,984 *6.4*	134,508 *3.5*	163,973 *10.6*	152,001 *10.1*
DOMESTIC TOTAL *PERCENTAGE TOTAL*	**1,144,470** *100%*	**1,026,841** *100%*	**1,090,399** *100%*	**1,508,956** *100%*	**1,583,458** *100%*	**1,539,299** *100%*	**1,501,279** *100%*

Basic registration data is furnished by each manufacturer, and they may use differing bases.

[1] *Includes Sprint and Spectrum fleet registrations.* [2] *Includes 1988 models sold in 1987-model year.*

[3] *Ford Division total fleet registrations includes 596 miscellaneous units not reported on page 20.*



1987 Model-Year Registrations

Fleet vs. Retail

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
SUBCOMPACT			
Alliance	29,811	3,883	13.0%
Cavalier	249,760	52,518	21.0
Charger	24,721	157	.6
Chevette	36,316	6,041	16.6
Colt	77,531	5,750	7.4
Escort/EXP	391,686	49,350	12.6
Festiva	12,391	705	5.7
Fiero	46,271	3,571	7.7
Firenza	14,977	4,163	27.8
Horizon	64,563	3,855	6.0
LeMans	15,282	5,950	38.9
Lynx	41,275	6,275	15.2
Mustang	163,962	18,798	11.5
Nova	101,276	49,436	48.8
Omni	54,172	4,248	7.8
Skyhawk	41,885	3,795	9.1
Spectrum	64,340	21,904	34.0
Sprint	49,404	2,421	4.9
Sunbird	71,470	12,941	18.1
Tracer[1]	23,338	5,416	23.2
Turismo	21,908	263	1.2
1000	7,860	880	11.2
Total Subcompact	**1,604,199**	**262,320**	**16.4%**
COMPACT			
Aries	101,161	44,161	43.7%
Calais	90,157	12,604	14.0
Camaro	117,800	8,394	7.1
Conquest	12,101	161	1.3
Corsica/Beretta	116,897	40,224	34.4
Daytona	33,065	651	2.0
Eagle	4,648	398	8.6
Firebird	73,361	6,743	9.2
Grand Am	163,423	54,268	33.2
Lancer	28,148	7,002	24.9
LeBaron GTS	38,594	8,323	21.6
Laser	8,041	31	.4
Reliant	105,841	39,190	37.0
Shadow	75,579	10,817	14.3
Sundance	75,080	10,068	13.4
Somerset/Skylark	65,280	10,128	15.5
Tempo	241,482	66,813	22.7
Topaz	65,953	25,229	38.2
Vista	33,121	1,086	3.3
Total Compact	**1,449,732**	**346,291**	**23.9%**

MODEL	Retail Totals	Fleet Totals	% Fleet vs. Retail
INTERMEDIATE			
600	39,327	17,353	44.1%
6000	90,149	51,989	57.7
Bonneville	77,842	13,389	17.2
Caravelle	37,866	19,100	50.4
Celebrity	221,358	118,383	53.5
Century	133,316	36,279	27.2
Cougar	100,465	17,065	16.9
Ciera	200,071	65,916	32.9
Cutlass Supreme	91,911	20,937	22.8
Dynasty	33	14	42.4
Grand Prix	18,072	1,219	6.7
LeBaron	59,934	9,733	16.2
LeBaron Coupe/ Convertible	60,604	6,723	11.1
Monte Carlo	69,521	4,362	6.3
New Yorker	56,296	9,750	17.3
Regal	47,855	7,418	15.5
Sable	106,020	25,734	24.2
Taurus	366,972	120,653	32.9
Thunderbird	127,332	27,817	21.8
Total Intermediate	**1,904,944**	**573,834**	**30.1%**
STANDARD			
Caprice	139,484	48,121	34.5%
Delta 88	176,530	20,320	11.5
Diplomat	16,881	6,140	36.4
Fifth Avenue	61,406	5,395	8.8
Gran Fury	9,792	3,657	37.3
Grand Marquis	120,442	20,907	17.3
LeSabre	132,294	16,519	12.5
LTD Crown Victoria	125,485	45,402	36.2
Parisienne	11,840	1,051	8.9
Total Standard	**794,154**	**167,512**	**21.0%**
LUXURY			
Allante	1,162	1[illegible]	13.9%
98	65,969	9,927	15.0
Continental/Mark VII Town Car[1]/Merkur	189,542	62,648	33.0
Corvette	21,828	3,555	16.3
DeVille/ Fleetwood(FWD)	121,154	29,950	24.7
Eldorado	18,175	3,034	16.7
Electra	65,716	14,205	21.6
Fleetwood Brougham	52,168	7,167	13.7
New Yorker Landau	95	25	26.3
Riviera	12,955	6,826	52.7
Seville/Cimarron	29,703	9,253	31.1
Toronado	13,107	3,975	30.3
Total Luxury	**591,574**	**150,726**	**25.4%**
Total Domestic	**7,351,178**	**1,477,020**	**20.1%**
Total Import	**3,198,717**	**371,450**	**11.6%**
Total Industry	**10,549,895**	**1,848,470**	**17.5%**

Note: Import share of fleet is 20.1%
Domestic share of total fleet is 79.9%

[1] **Includes 1988 models sold in the 1987-model year.**

(1/1/88)

LEASING & RENTAL: Past Growth & Future Projections

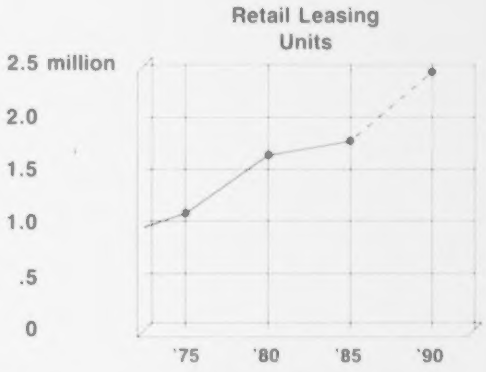
LEASED SEGMENT	1975 Units	1975 $ Rev.	1980 Units	1980 $ Rev.	1985 Units	1985 $ Rev.	1987 Units	1987 $ Rev.	1990 (est.) Units	1990 (est.) $ Rev.
(000) Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions	(000)	Millions
Business Fleets +25	1,666		1,968		2,150		2,175		2,300	
Other* Incl. Bus. Flts 4-24	512		524		550		580		600	
Retail or Individual	1,072		1,708		1,800		2,100		2,500	
Total Cars Fleet Leased	**3,250**	**$ 9,100**	**4,200**	**$18,900**	**4,500**	**$27,450**	**4,855**	**$30,000**	**5,400**	**$40,000**
Truck Leasing	735	$4,200	800	$7,300	878	$10,000	915	$11,000	930	$14,000
Total Vehicle Leasing	**3,985**	**$13,300**	**5,000**	**$26,200**	**5,374**	**$37,450**	**4,770**	**$41,000**	**6,330**	**$56,000**

RENTAL SEGMENT

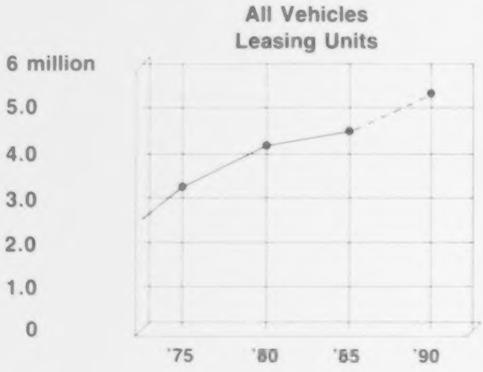
Car Rental	355	$ 1,400	500	$ 2,800	760	$ 4,600	800	$ 5,090	830	$ 6,500
Truck Rental (all G.V.Ws)	160	$ 1,000	175	$ 2,300	200	$ 3,400	212	$ 3,900	230	$ 4,600
Total Vehicle Rental	**515**	**$ 2,400**	**675**	**$ 5,100**	**960**	**$ 8,000**	**1,012**	**$ 8,990**	**1,060**	**$11,100**

*Other includes all 50+% non-personal use regardless of registration

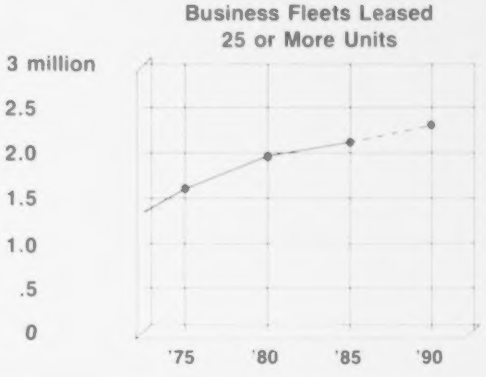
SOURCE: Automotive Fleet Research Dept. — Copyrighted 1988



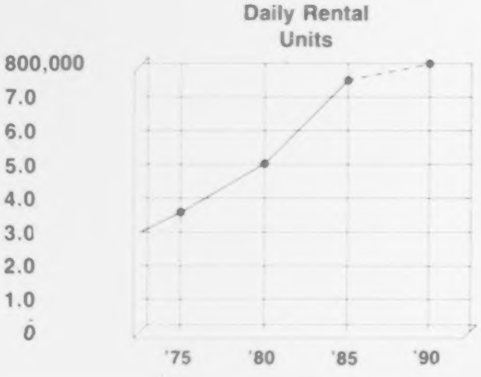
Retail Leasing Units



All Vehicles Leasing Units



Business Fleets Leased 25 or More Units



Daily Rental Units

U.S. Light Truck Statistics

New 1979 to 1987 Light Truck Registrations Reported
Class I, II & III National and Fleet Totals
Calendar Year

Source: Automotive Fleet Research Dept.

DOMESTIC

MAKE	1979	1980	1981	1982	1983	1984	1985	1986	1ST 8 MOS. 1987
Total	4,065,190	2,749,051	1,926,887	2,237,843	2,799,636	3,793,798	4,391,588	4,600,000	3,180,000
Fleet	558,430	435,910	294,475	317,017	294,633	455,742	670,801	630,107	385,450
% Fleet	*13.7*	*15.8*	*15.3*	*14.2*	*10.5*	*8.3*	*6.5*	*7.3*	*8.3*
CHEVY	1,832,454	1,114,847	619,997	726,358	891,125	1,072,231	1,209,012	1,198,856	762,729
	156,170	117,983	94,289	97,514	90,688	133,969	174,500	162,589	93,412
	8.52	*10.58*	*15.2*	*13.4*	*10.2*	*12.5*	*14.4*	*13.6*	*12.2*
FORD	1,185,000	795,000	648,804	689,941	905,846	1,111,832	1,189,053	1,296,181	922,477
	284,000	206,700	116,979	101,471	106,263	142,163	220,308	206,187	130,131
	24.00	*26.00*	*18.00*	*14.7*	*11.7*	*12.8*	*18.5*	*15.9*	*14.1*
GMC	236,750	141,744	128,615	186,257	224,718	268,858	309,125	304,133	168,591
	30,591	23,498	21,531	23,772	23,244	37,685	43,403	44,278	25,013
	12.92	*16.57*	*16.7*	*12.8*	*10.3*	*14.0*	*14.0*	*14.6*	*14.8*
DODGE & PLYMOUTH	400,945	347,138	181,308	228,232	263,687	503,967	606,388	596,159	480,425
	48,794	52,731	29,930	29,078	28,491	53,727	112,677	65,029	68,164
	12.16	*15.90*	*16.50*	*12.7*	*10.8*	*10.7*	*18.6*	*10.9*	*14.2*
AMC/JEEP	140,431	77,852	58,257	62,097	76,453	148,040	181,939	195,973	125,534
	20,875	11,498	3,246	3,816	1,947	5,971	18,222	18,312	10,730
	14.86	*14.76*	*5.60*	*6.1*	*2.5*	*4.0*	*10.0*	*9.3*	*8.6*
OTHER Inc. VW, Imports, etc.	258,017	294,529	317,250	344,958	437,797	687,074	784,013	1,008,693	720,244
	18,000	23,500	28,500	34,500	44,000	75,500	103,500	133,712	58,000
	7.0	*8.0*	*9.0*	*10.0*	*10.0*	*11.0*	*13.2*	*13.0*	*8.1*

IMPORTS

MAKE	1979	1980	1981	1982	1983	1984	1985	1986	1ST 9 MOS. 1987
TOYOTA									
Total	130,648	131,648	130,379	143,439	170,000	244,072	327,989	381,861	236,574
Fleet	4,620	14,624	9,413	10,936	23,387	41,860	61,517	72,184	23,493
% Fleet	*3.53*	*11.1*	*7.2*	*7.6*	*13.8*	*17.2*	*18.8*	*18.9*	*9.9*
NISSAN	104,866	113,242	119,684	106,440	132,0888	194,414	256,313	215,000	135,000
	6,046	8,045	6,184	13,430	12,073	19,491	23,156	18,030	13,500
	5.76	*7.10*	*5.50*	*12.6*	*9.1*	*10.0*	*9.0*	*8.4*	*10.0*
MAZDA	8,302	8,775	16,798	40,661	75,751	118,368	114,614	157,127	100,701
				2,192	5,747	6,610	6,544	10,103	6,042
				5.3	*7.5*	*5.6*	*5.7*	*6.4*	*5.9*
AMERICAN ISUZU			9,959	17,669	26,211	37,443	52,305	86,680	69,193
					2,175	9,602	7,984	7,932	6,356
					8.3	*25.6*	*15.3*	*9.2*	*9.2*
MITSUBISHI				931	9,222	14,943	27,100	34,965	38,270
IVECO				1,669	1,679	2,106	1,948	1,411	941
ISUZU TRUCK (Class III)						—	2,526	5,008	4,199

*Estimated

Tracking the Top 10 Lessors

Total Vehicles/Year

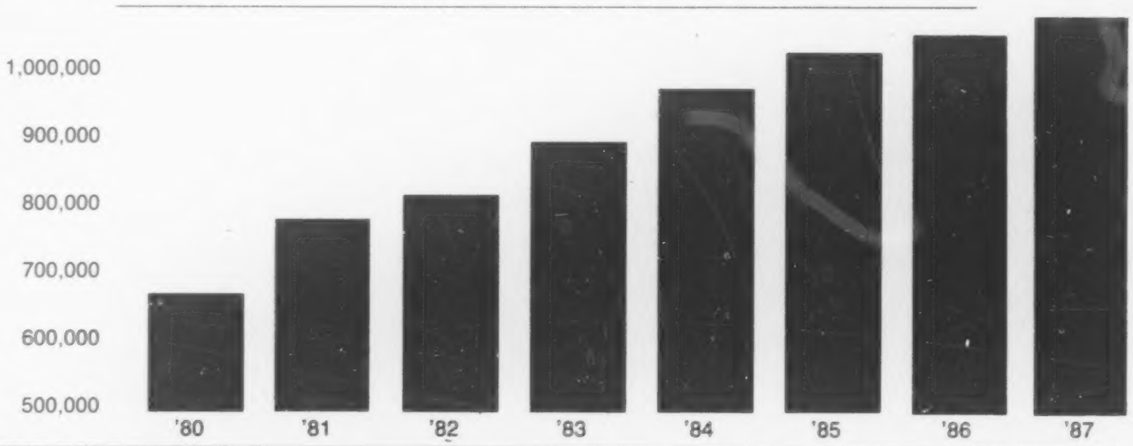
Lessor	1980	1981	1982	1983	1984	1985	1986	1987
GE Capital Fleet Services	—	—	—	—	—	—	—	420,000[1]
(Gelco*)	(170,000)	(215,000)	(215,000)	(235,000)	(267,000)	268,000)	(270,000)	
(D&K*)	(30,000)	(40,000)	(46,000)	(80,000)	(80,000)	(84,000)	(100,000)	
PHH	175,000	185,000	185,000	200,000	200,000	225,000		
(Avis**)	(43,000)	(44,000)	(44,000)	(44,500)	(44,500)	(48,000)	275,000	290,000
GE Capital Auto Lease, Inc.	—	—	—	—	—	—	143,000	193,000
Wheels	70,000	70,000	70,000	-70,000	80,000	90,000	100,000	100,000
Lend Lease	22,500	32,500	37,500	42,500	50,000	60,000	58.000	85,000
McCullagh	55,000	75,000	75,000	75,000	80,000	80,000	80,000	80,000
ARI	30,000	35,000	35,000	50,000	65,000	65,000	70,000	75,000
Lease Plan USA	—	—	—	—	—	—	—	70,000
U.S. Fleet/Hertz	30,000	35,000	45,000	45,000	50,000	50,000	50,000	68,000
(Hertz)	(35,000)	(40,000)	(45,000)	(50,000)	(50,000)	50,000	***	
Security Pacific	—	—	—	—	—	—	—	51,000
Top 10 Total	**660,500**	**771,500**	**797,500**	**892,000**	**966,500**	**1,020,000**	**1,416,000**	**1,432,000**

*Purchased by GE Capital in 1987 **Purchased by PHH in 1986 ***Purchased by USFL in 1986

[1] GE Capital Fleet Services fleet total also includes Kerr Leasing, which was acquired in 1984.

The "Big" Get "Bigger"

Number of Vehicles Among Top 10 Lessors



Sources: *Automotive Fleet* Research Dept. and Fact Book.

NAFA Survey of Operating Expenses

Composite Fleet Statistics Expense Comparison 1984-1986

(Responses from fleets which do not report expenses by car class, but only as a total.)

OPERATING EXPENSES

	1984	1985	1986
(cents per car per mile)			
Fuel	.0560	.0656	.0430
Oil	.0012	.0036	.0017
Tires & Tire Repair	.0040	.0048	.0040
Repair & Maintenance	.0151	.0192	.0174
Total Operating Expenses	.0763	.0932	.0661

INCIDENTAL EXPENSES

(dollars per car per month)			
Licenses & Taxes	$11.62	$16.69	$19.20
Accident Repairs Less Recoveries	8.74	11.59	14.37
Washing	4.25	5.55	9.75
Parking & Tolls	7.46	19.10	14.76
Miscellaneous	3.25	4.70	4.57
Total Incidental Expenses	$35.32	$57.63	$62.65

STANDING EXPENSES

(dollars per car per month)			
Interest	*	$ 20.00	$ 42.98
Leasing Service Charge	$ 60.40	46.25	56.73
Depreciation Reserve	182.95	147.50	204.65
Depreciation Adjustment	−23.83	−35.00	−25.75
Reconditioning	11.46	5.00	6.04
Insurance	19.03	32.03	36.07
Total Standing Expenses	$250.01	$215.78	$320.72

* This figure was included in "Leasing Service Charge" this year.

CREDITS

(dollar return per car per month)			
Personal Use	$45.42	$44.92	$45.88
Extra Equipment	*	7.07	3.51
Total Credits	$45.42	$51.99	$49.39

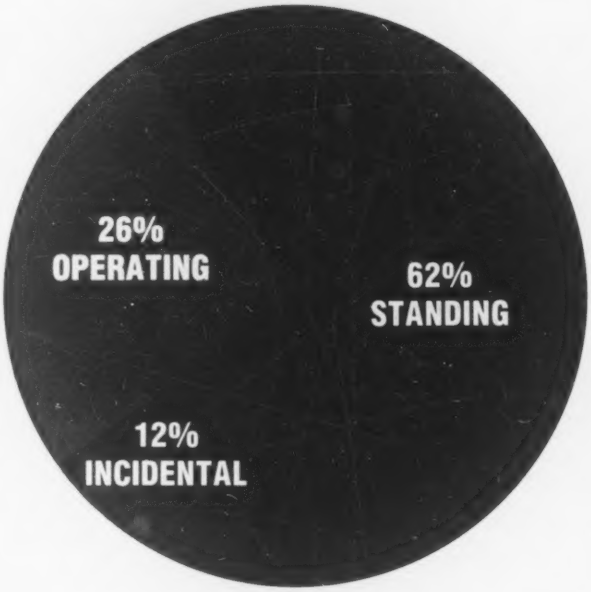
* Figures not given this year.

NET EXPENSES

(Incidental + Standing Expenses — Credits)	$239.91	$221.42	$333.98

Source: NAFA's annual Survey of Operating Expenes.

COMPOSITE FLEET BREAKDOWN OF EXPENSES



Does Not Reflect Personal Use or Equipment Credits

Compact Cars Operating Expense Comparison (Cents Per Mile) 1984-1986

	1984	1985	1986
Fuel	$.0528	$.0475	*
Oil	.0014	.0021	*
Tire & Tire Repair	.0045	.0099	*
Repair & Maintenance	.0121	.0149	*
Total Operating Expenses	$.0708	$.0744	*

*Comparisons not made in 1986 survey.

Mid-Size Cars Operating Expense Comparison (Cents Per Mile) 1984-1986

	1984	1985	1986
Fuel	$.0614	$.0565	*
Oil	.0018	.0015	*
Tires & Tire Repair	.0043	.0032	*
Repair & Maintenance	.0162	.0178	*
Total Operating Expenses	$.0837	$.0790	*

* Comparisons not made in 1986 survey.

Top 30 Banks In Vehicle Leasing

Bank	Location	Leases in Portfolio at End of 1987	1986	1985
1. Marine Midland Bank	Buffalo, NY	99,235	38,000	14,000
2. Security Pacific Corp.	Woodland Hills, CA	51,000	60,000	53,218
3. Wells Fargo Bank	Oakland, CA	45,874	39,442	34,164
4. First Interstate Bank of California	Cerritos, CA	42,211	41,685	38,797
5. Fidelcor Services, Inc.	Wayne, PA	39,500	32,500	14,000
6. BancOne	Columbus, OH	36,811	34,271	32,246
7. Key Bank	Albany, NY	31,605	41,000	38,000
8. Manufacturers Hanover Wheelease, Inc.	Hicksville, NY	27,852	29,594	23,000
9. Maryland National Bank	Baltimore, MD	27,000	19,000	15,000
10. Trust Company Bank	Atlanta, GA	21,656	18,060	11,049
11. Huntington National Bank	Columbus, OH	19,800	15,500	11,000
12. Union Bank-Stanchart Leasing	Orange, CA	18,500	16,163	9,721
13. First Pennsylvania Bank-LeaseIt	Ft. Washington, PA	17,294	17,785	18,100
14. Bank of New England	Boston, MA	17,200	11,300	7,660
15. National Bank of Detroit	Troy, MI	16,368	15,236	11,297
16. National City Bank	Cleveland, OH	13,436	13,128	10,081
17. Citicorp Acceptance Co., Inc.	St. Louis, MO	13,413	7,500	1,403
18. The Fifth Third Bank	Cincinnati, OH	12,795	13,242	9,761
19. Manufacturers Bank of Detroit	Detroit, MI	10,677	9,300	7,850
20. Citizens and Southern Banks in Georgia	Atlanta, GA	10,300	10,730	9,500
21. Seafirst Bank	Seattle, WA	8,397	8,623	4,955
22. Dominion Bank	Roanoke, VA	8,066	7,650	7,600
23. First National Bank of Atlanta	Atlanta, GA	8,000	7,968	6,100
24. Indiana National Bank	Indianapolis, IN	5,851	4,409	3,900
25. Hibernia Bank	Concord, CA	5,777	4,829	3,250
26. Boatmen's National Bank	St. Louis, MO	5,725	5,610	5,100
27. Valley National Bank	Phoenix, AZ	5,280	4,935	5,875
28. Sanwa Bank of California	Monterey Park, CA	3,771	1,800	1,674
29. First RepublicBank	Dallas, TX	2,473	3,785	4,221
30. Bank of the West	San Jose, CA	1,110	1979	3,473

Source: Automotive Fleet *Research Department*

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Size and Model Cars Purchased By Major Leasing Companies 1987 vs. 1986

SIZE AND MODEL
(In Percent)

Luxury

Electra/Park Ave.
Riviera
Coupe de Ville
Sedan de Ville
Cimarron
Fleetwood
Eldorado Cpe.
Seville Sedan
Continental
Mark VII
Town Car
Olds 98
Toronado
Corvette
Allante
XR4Ti
Scorpio

Standard

LeSabre
Impala/Caprice
Diplomat
LTD Crown Vic
Grand Marquis
Delta 88
Gran Fury
Fifth Ave.
Parisienne

Intermediate

Regal
Century
Monte Carlo
Celebrity
LeBaron
600
LTD
Thunderbird
Cougar
Marquis
Cutlass Supreme
Cutlass Ciera
6000
Grand Prix
Bonneville
Caravelle
New Yorker
Taurus
Sable
Premier

Compact

Eagle
Skylark
Citation
Aries
Laser
Daytona
Topaz
Calais
Reliant
Camaro
LeBaron GTS
Tempo
Somerset Regal
Grand Am
Firebird
Conquest/Vista
Lancer
Golf
Shadow
Sundance
Omega
Beretta
Corsica
Medallion

Subcompact

Encore/Alliance
Skyhawk
Cavalier
Chevette
Charger
Omni
Colt
Escort/EXP
Capri
Firenza
Horizon
Turismo
Lynx
T1000
Fiero
Mustang
Sprint
Spectrum
Nova
Sunbird
Tracer

Imports

All
Models

COMPANY	YEAR	LUXURY	STANDARD	INTER-MEDIATE	COMPACT	SUB-COMPACT	IMPORTS
ASSOCIATES	1987	2.5	11.2	68.8	12.2	3.1	2.2
	1986	2.3	9.8	67.5	14.5	3.9	2.0
ARI	1987	3.5	8.6	64.4	7.1	15.3	1.1
	1986	2.7	10.8	69.4	9.0	5.9	2.2
D & K FINANCIAL	1987	1.3	16.3	62.8	16.5	1.8	1.3
	1986	1.4	10.0	69.0	15.4	3.3	0.9
DONLEN	1987	2.6	12.6	68.9	11.1	3.5	1.3
	1986	3.8	14.6	63.5	12.6	3.9	1.6
GELCO	1987	1.5	9.0	60.7	15.5	9.9	3.4
	1986	2.3	9.9	60.2	19.5	6.6	1.5
LEND LEASE/CFR	1987	4.4	10.3	68.7	6.2	8.3	2.1
	1986	4.4	10.4	68.0	6.8	8.6	1.8
LMV	1987	1.0	10.0	66.0	12.0	9.0	2.0
	1986	1.0	12.0	60.5	12.0	13.0	1.5
MCCULLAGH	1987	5.0	16.2	64.5	9.6	2.7	2.0
	1986	5.5	15.6	60.8	9.6	7.5	1.0
PH&H	1987	1.7	6.8	65.9	18.1	6.3	1.2
	1986	1.7	6.7	70.6	20.0	0.3	0.7
U.S. FLEET LEASING	1987	6.0	12.0	68.0	9.0	2.0	3.0
	1986	2.0	13.0	66.0	7.0	8.0	4.0
WHEELS	1987	0.6	10.3	77.7	7.5	3.1	0.8
	1986	1.0	7.8	78.2	10.0	2.4	0.6

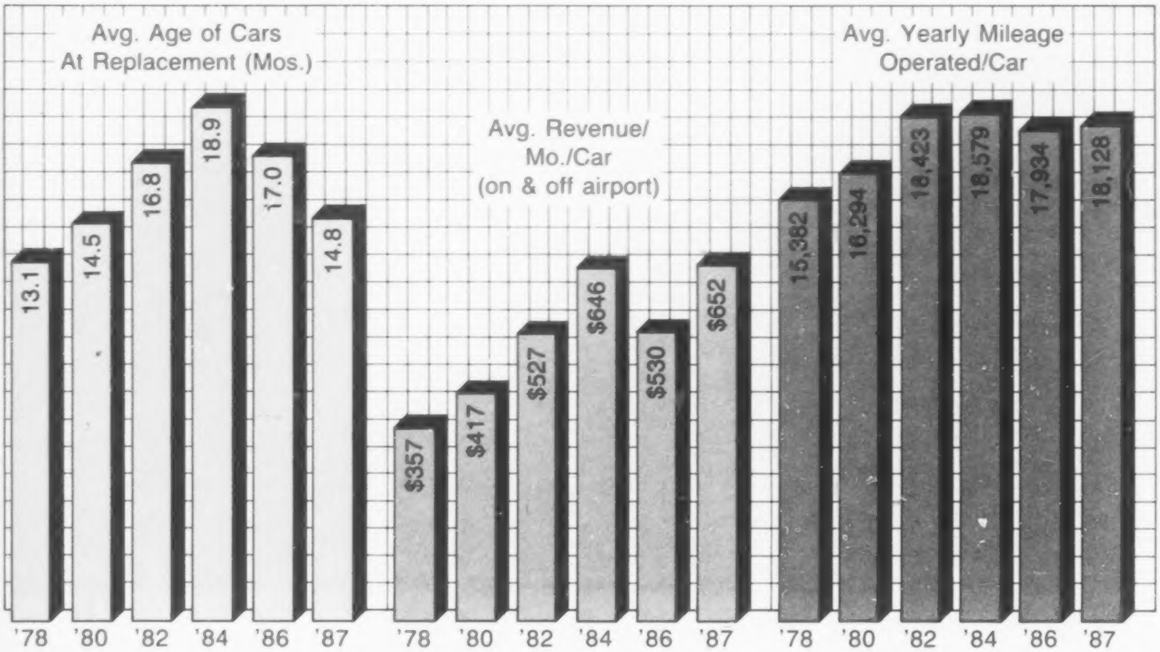
Circle 118 on Inquiry Card →

U.S. Daily-Rental Market Profile

Rank	Company	Number U.S. Cars (Incl. Licensees)	Percent On-Airport Market Share '86	'87	Estimated '87 Revenue (Million)
1.	Hertz	155,000	32%	32%	1,100
2.	Avis	124,000	25%	25%	880
3.	National	102,000	20%	19%	740
4.	Budget	95,000	18%	19%	730
	Total Major "On-Airport"	**476,000**	**95%**	**95%**	**3,450**
	(Other "On-Airport")			(5%)	

"Off-Airport" Summary

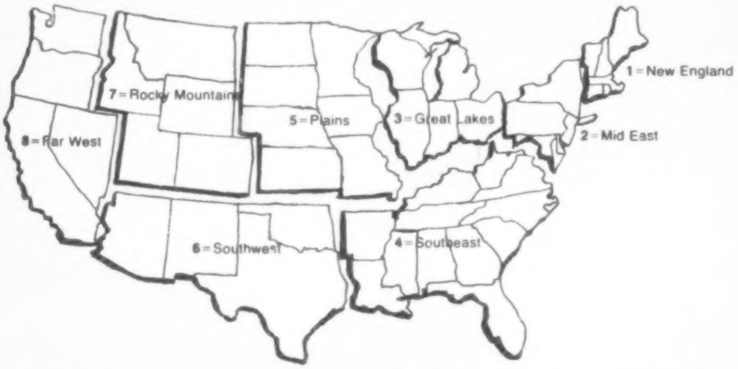
Rank	Company	Number U.S. Cars (Incl. Licensees)			Estimated '87 Revenue (Million)
5.	Alamo	52,000			260
6.	Enterprise	50,000			240
6A.	Fals (Ford Dealers)	35,000			175
7.	Dollar	32,000			175
8.	Agency	31,000			150
9.	Thrifty	26,000			140
9A.	GM Dealers (not organized)	23,000			120
10.	Snappy	17,000			85
11.	American Int'l	12,000			65
11A.	DRAC (Chrysler Dealers)	12,000			60
12.	Gen'l	9,000			45
13.	Value	7,500			40
14.	Replacement	6,500			35
15.	Action	6,000			30
16.	Avon, etc.	5,000			20
	Subtotal	**324,000**	**Subtotal Revenue**		**$1,640 Billion**
	TOTAL RENTAL MARKET	**800,000**	**Total Revenue**		**$5,090 Billion**



Source: *Automotive Fleet* Research Department

Fleet-Car Operating Costs by Region

1 = New England 2 = Mid East 3 = Great Lakes 4 = Southeast 5 = Plains 6 = Southwest 7 = Rocky Mountains 8 = Far West



Regional Code	Running Expenses ¢/mile	Standing Expenses $/month
1	6.68	313.99
2	7.33	290.36
3	6.19	295.01
4	6.46	283.58
5	6.05	292.57
6	6.47	301.02
7	7.07	282.75
8	6.82	298.69
USA	**6.60**	**291.55**

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as interest, insurance, and license fees. Data covers leased cars and company-owned cars, from December 1987 U.S. Corporate Fleet Performance Report.

Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

NAFA Personal-Use and Used-Car Data

Reimbursement For Use Of Personal Car
Mileage Only
(No Assigned Fleet Car)
U.S. Commercial Fleets

Amount	1982	1983	1984	1985	1986
15¢ or less	2%	2%	1%	1%	Industry average: 20.6¢
16-19¢	15%	11%	10%	5%	
20¢	69%	72%	56%	42%	
20½¢	*	*	22%	22%	
21-24¢	10%	12%	10%	28%	
25¢ or more	4%	3%	1%	2%	

(*Not broken out in those surveys — included in "more than 20 cents a mile" category.)

Note: The 1987 survey presents only the industry median average for 1986 with no break down by cents category.

Reimbursement For Use Of Personal Car
Mileage Only
(Assigned Fleet Car Not in Service)
U.S. Commercial Fleets

Amount	1982	1983	1984	1985	1986
15¢ or less	5%	2%	1%	2%	Industry average: 20.7¢
16-19¢	13%	9%	8%	5%	
20¢	68%	73%	56%	42%	
20½¢	*	*	23%	23%	
21-24¢	11%	14%	9%	26%	
25¢ or more	3%	3%	3%	2%	

(*Not computed in those surveys — included in "more than 20 cents a mile" category.)

Note: The 1987 survey presents only the industry median average for 1986 with no break down by cents category.

Number of Model Year Cars Sold

	1986	1987
U.S. Commercial Fleets		
1983 Model Year	19,960	12,460
1984 Model Year	7,677	23,404
1985 Model Year	1,535	11,716
1986 Model Year	NA	4,837
U.S. Government Fleets		
1983 Model Year	1,381	1,486
1984 Model Year	0	679
1985 Model Year	0	123
1986 Model Year	NA	12
U.S. Public Utilities Fleets		
1983 Model Year	77	326
1984 Model Year	39	207
1985 Model Year	0	86
1986 Model Year	NA	33

Average Age of Vehicles Sold

	1986	1987
Months		
U.S. Commercial Fleets	30.2	31
U.S. Government Fleets	63.9	55
U.S. Public Utilities Fleets	66.1	61
Miles		
U.S. Commercial Fleets	61,029	64,356
U.S. Government Fleets	91,679	87,231
U.S. Public Utilities Fleets	78,550	81,362

Selling Methods
Number of Cars Sold in Each Category

	1986	1987
U.S. Commercial Fleets		
Wholesaler/Auto Auction	27,145	26,367
Employee	14,162	15,023
Used Car Dealer	1,773	3,026
New Car Dealer (Trade-In)	3,573	3,250
Salvage/Other	NA	3,743
U.S. Government Fleets		
Wholesaler/Auto Auction	7,653	3,291
Employee	0	21
Used Car Dealer	99	25
New Car Dealer (Trade-In)	291	80
Salvage/Other	NA	84
U.S. Public Utilities Fleets		
Wholesaler/Auto Auction	3,444	1,803
Employee	348	438
Used Car Dealer	39	399
New Car Dealer (Trade-In)	0	26
Salvage/Other	NA	84

3. lessors

Index of Leading Lessors

(Rentals not included)

(Data supplied by individual lessors except as indicated)

Rank	Lessor	No. Cars	No. Trucks	Total Vehicles
1.	GE Capital Fleet Services	294,000	126,000	420,000
2.	PHH	170,000	85,000	290,000
	Avis (owned by PHH)	32,000*	3,000*	
3.	GE Capital Auto Lease, Inc.	166,500	26,500	193,000
4.	Wheels	70,000	30,000	100,000
5.	Lend Lease	65,000	20,000	85,000
6.	McCullagh	60,000	20,000	80,000
7.	ARI	50,000	25,000	75,000
8.	Lease Plan USA	60,000	10,000	70,000
9.	U.S. Fleet/Hertz	50,000	18,000	68,000
10.	Security Pacific	42,000	9,000	51,000
11.	Ryder	—	50,000	50,000
12.	Associates	21,600	20,000	41,600
13.	Bankers	16,000	24,000	40,000
14.	LMV	26,000	12,000	38,000
15.	Donlen	25,000	5,000	30,000
16.	Enterprise	20,000	3,000	23,000
17.	Fleet Leasing/Transamerica (Formerly Borg-Warner)	16,000*	3,000*	19,000
18.	Fleetmark	13,000	3,200	16,200
19.	Mike Albert	14,100	2,000	16,100
20.	Leasing Associates/Allstate	14,000	2,000	16,000
21.	Sovran	11,800	3,500	15,300
22.	Emkay	12,000	3,000	15,000
23.	Executive	12,000	2,000	14,000
24.	Auto Rental Corp.	7,000	5,000	12,000
25.	World Omni	9,000	1,000	10,000
	TOTALS	**1,265,000**	**511,200**	**1,776,200**

*Car & Truck Breakout, AF Estimate

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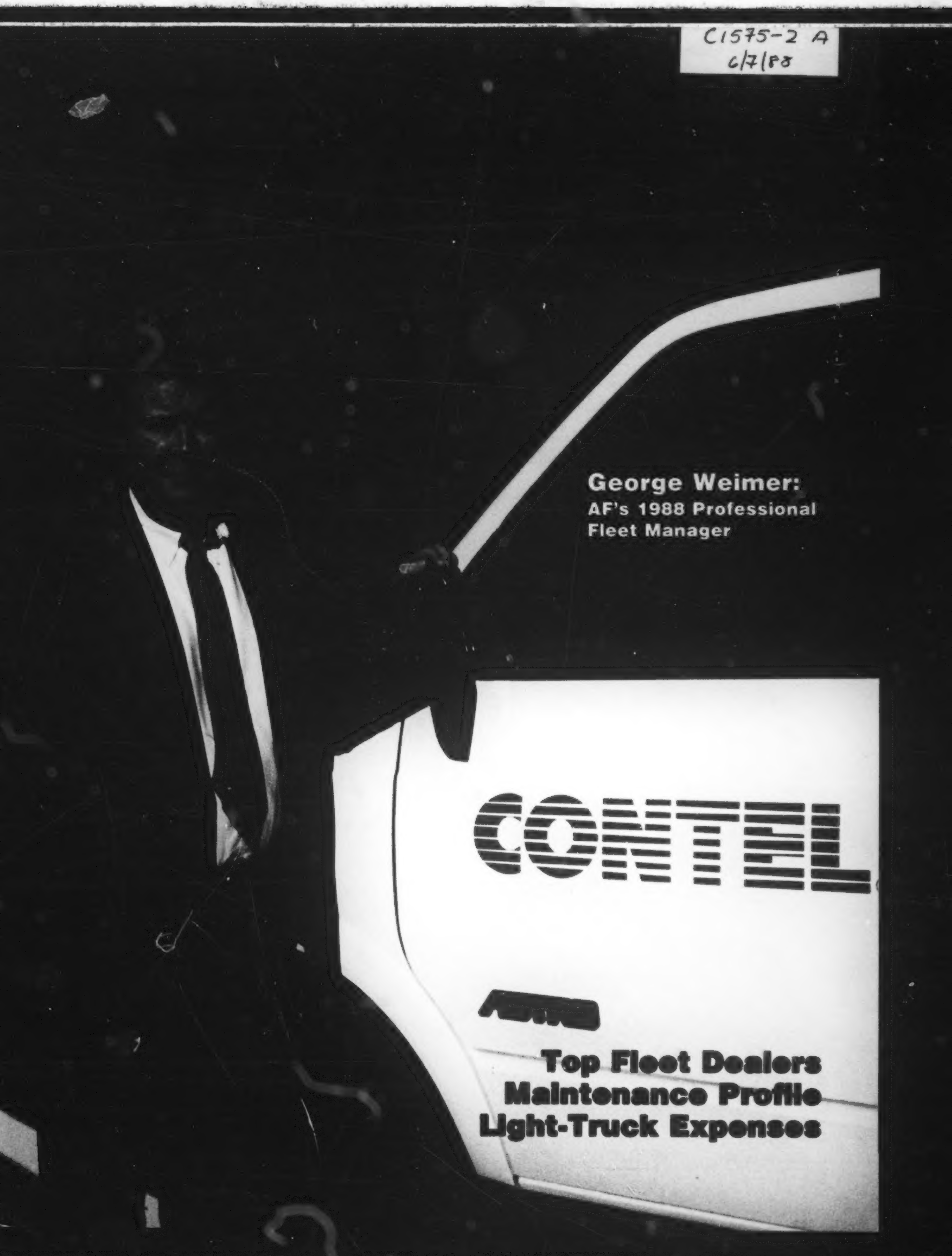

George Weimer:
AF's 1988 Professional Fleet Manager

Top Fleet Dealers
Maintenance Profile
Light-Truck Expenses

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BOBIT PUBLISHING

MAY 1988
VOL. 27, NO. 7
Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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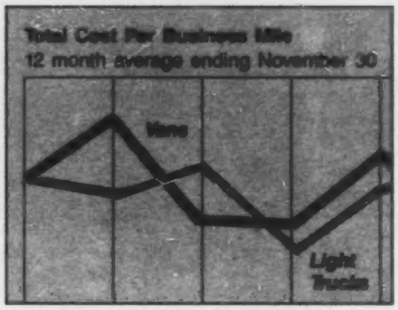

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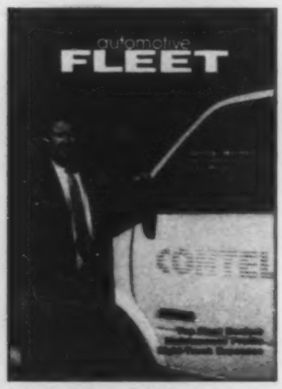

On the cover: George Weimer, director of transportation services for Contel Service Corp., has been voted the fourth winner of *Automotive Fleet's* annual Professional Fleet Manager Award. Interview starts on page 23.

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Contel's director of transportation services, a 31-year industry veteran, is selected as AF's 1988 top fleet manager.

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The Top-Selling Fleet Dealers of 1987

On April 30, during the 20th Annual Automotive Fleet & Leasing Association Spring Meeting and Conference held at the Westin St. Francis Hotel in San Francisco, 42 automotive dealerships were presented the annual Fleet Dealer Award, recognizing their outstanding 1987 fleet sales achievements. The awards were presented by *Automotive Fleet* magazine.

Topping the list with the highest fleet sales for 1987 was Ed Morse Chevrolet of Lauderhill, FL, with 22,837 vehicles sold. In second place, with 21,488 vehicles sold, was Fairway Ford of Latrobe, PA. The 42 top dealerships combined for a total of 256,134 vehicles, an increase of more than 27,000 over 1986's figures. In representative terms, this is an average of 6,000 vehicles per dealer.

The 11th annual fleet dealer awards luncheon was held on the closing day of the three-day conference, and was attended by fleet dealers, lessors and manufacturers. Plaques were presented to the top three winners from each of the major fleet lines.

As in past years, the fleet departments from each automobile manufacturer provided support and assistance by notifying the magazine of the top three dealerships after tabulating and verifying the necessary sales figures.

These 42 dealerships represent the best in sales achievement in today's competitive fleet market. *Automotive Fleet* congratulates them and supports their continued efforts.

(Winners on page 48.)

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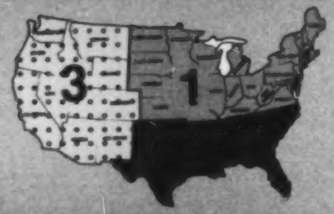
1988 FLEET DEALER AWARDS

Chevrolet	Jack Evans	Ed Morse Chevrolet	Lauderhill, FL	22,037
	Eli Crespi	Collection Chevrolet	Miami, FL	18,251
	Bill Wink	Wink Chevrolet	Dearborn, FL	14,725
Ford	James O'Neal, Jr.	Fairway Ford	Latrobe, PA	21,486
	Ted Daniel	McInerney Ford	Orlando, FL	11,826
	Bob Karlin	Santa Monica Ford	Santa Monica, CA	10,586
Toyota	Lloyd Caren	Longo Toyota	El Monte, CA	7,570
	Gerry Bean	Kendall Toyota	Miami, FL	7,072
	Ron Cerrachio	Gateway Toyota	Toms River, NJ	5,109
American Isuzu	Mark Smith	Sam White Isuzu	Houston, TX	2,632
	Joseph Laham	Auto West Isuzu	Westwood, MA	1,124
	Tom Fazularo	Isuzu of Hillside	Hillside, NJ	1,039
Cadillac	Phil Davis	Polkowitz Motors	Perth Amboy, NJ	14,402
	Jack Evans	Bayview Cadillac	Ft. Lauderdale, FL	3,931
	Jim O'Neal	Arnold Palmer Cadillac	Charlotte, NC	2,068
Pontiac	Donna Janazzo/Stephen Barberino	Stephen Pontiac/Cadillac	Bristol, CT	12,117
	Walt Kozak/Stanley Penn	Penn Pontiac	Baltimore, MD	7,090
	John McNally	J.M. Pontiac	Hollywood, FL	6,877
Buick	Matt Kelley	Reef Buick	Lauderdale Lakes, FL	4,502
	Chuck Lorenz	Wilkins Buick	Glen Burnie, MD	3,973
	Tom Parish	Lupient Buick	Minneapolis, MN	3,812
Oldsmobile	George Steinbock	Anderson Oldsmobile	Baltimore, MD	4,850
	Don Fenton	Larry Faul Oldsmobile	Schaumburg, IL	4,668
	Dewey Hibben	Jim Lupient Oldsmobile	Golden Valley, MN	4,107
Volkswagen	Eugene Weisberg	Queensboro Volkswagen	Woodside, NY	2,589
	Pete Tynan	Tynan Volkswagen	Denver, CO	1,250
	Dick Gorham	Ganley Inc.	Cleveland, OH	970
Nissan	Dennis Hecker	Burnsville Nissan	Burnsville, MN	3,060
	Joe Williamson	Action Nissan	Kissimmee, FL	2,328
	Rick Lamb	Harbor Nissan	Harbor City, CA	1,070
Lincoln/Mercury	Lloyd K. Brocket	Central Florida Lincoln/Mercury	Orlando, FL	5,361
	Jeannie Kerner	O'Connor Lincoln/Mercury	Los Angeles, CA	3,140
	Bill Schreier	Stanford Lincoln/Mercury	Menlo Park, CA	2,052
Chrysler/Plymouth	Preston Neal	South Bay Chrysler/Plymouth	Torrance, CA	8,475
	Jim Wallace	Galeans Chrysler/Plymouth	Fort Myers, FL	5,860
	Bob Haller	Bloomington Chrysler/Plymouth	Bloomington, MN	3,204
Dodge	Jack Taylor	Luke Potter Dodge	Winter Park, FL	8,495
	Jerry Ulm	Precision Chrysler/Plym./Dodge	Winter Haven, FL	7,208
	Stan Smith	Del Amo Three	Torrance, CA	3,161
AMC/Jeep/Eagle	Steve Leach	Southview AMC/Jeep/Renault	Inver Grove Heights, MN	501
	Mark Rosenstock	Dale American Motors	Bronx, NY	401
	Don Silver	Emich AMC/Jeep/Renault	Lakewood, CO	351
			Total:	256,134

USED CARS

The following are average used car prices for the period ending April 1, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



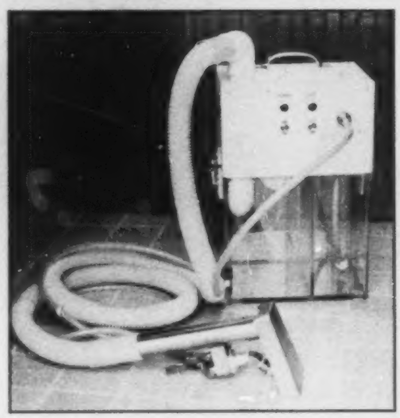
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3559	3596	3487
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2736	2761	2680
86 AMC ENCORE			
Sdn 5-Dr S Series	3504	3540	3435
85 AMC ENCORE			
Sdn 5-Dr S Series	2718	2745	2663
86 BUICK SKYHAWK			
Cust Coupe	4923	4973	4824
Cust Sdn	4999	5046	4898
86 BUICK CENTURY			
Cust Sdn	6335	6400	6210
85 BUICK CENTURY			
Cust Sdn	5150	5202	5048
86 BUICK SKYLARK			
Cust Sdn	6532	6416	6226
85 BUICK SKYLARK			
Cust Sdn	3905	3946	3828
86 BUICK SOMERSET REGAL			
Coupe	6409	6470	6279
86 BUICK RIVIERA			
Coupe	10,361	10,463	10,154
85 BUICK RIVIERA			
Coupe	8584	8668	8412
86 BUICK LE SABRE			
Cust Sdn	7899	7978	7742
85 BUICK LE SABRE			
Cust Sdn	6346	6410	6221
86 CADILLAC DE VILLE			
Cpe	11,979	12,098	11,740
Sdn	12,135	12,257	11,895
85 CADILLAC DE VILLE			
Cpe	9321	9415	9135
Sdn	9321	9415	9135
86 CADILLAC SEVILLE			
Sdn	14,960	15,110	14,660
85 CADILLAC SEVILLE			
Sdn	12,771	12,899	12,518
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3175	3204	3111
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2541	2568	2489
86 CHEVY CAMARO			
Cpe	6794	6861	6658
85 CHEVY CAMARO			
Cpe	5692	5748	5579
86 CHEVY CAVALIER			
Sdn	4569	4615	4477
85 CHEVY CAVALIER			
Sdn	3661	3697	3588
86 CHEVY CELEBRITY			
Sdn	5900	5958	5783
85 CHEVY CELEBRITY			
Sdn	4597	4643	4505
86 CHEVY CAPRICE			
Sdn	6428	6492	6298
85 CHEVY CAPRICE			
Sdn	5997	6056	5874
86 CHRYSLER LE BARON			
Cpe	5892	5952	5777
Sdn	5951	6012	5833
85 CHRYSLER LE BARON			
Cpe	4747	4794	4653
Sdn	4777	4827	4682
86 CHRYSLER FIFTH AVENUE			
Sdn	8970	9058	8791
85 CHRYSLER FIFTH AVENUE			
Sdn	7334	7407	7186
86 DODGE OMNI			
Htchbk 4 Dr	3622	3656	3549
85 DODGE OMNI			
Htchbk 4 Dr	2842	2870	2785
86 DODGE ARIES			
Sdn	4539	4585	4447
85 DODGE ARIES			
Sdn	3439	3470	3368
86 DODGE DIPLOMAT			
Sln Sdn	5210	5263	5107
85 DODGE DIPLOMAT			
Sln Sdn	4043	4080	3956
86 DODGE LANCER			
Sdn	5842	5901	5725
86 DODGE 600			
Sdn	5616	5671	5502
85 DODGE 600			
Sdn	4282	4325	4196
86 FORD ESCORT			
Htchbk 4 Dr L Series	3801	3841	3725
85 FORD ESCORT			
Htchbk 4 Dr L Series	2896	2924	2836
86 FORD MUSTANG			
LX-4 Cpe	5467	5520	5356
85 FORD MUSTANG			
LX-4 Cpe	4471	4514	4383
86 FORD TAURUS			
GL Sdn 4 Dr	7379	7456	7235
86 FORD TEMPO			
GL Sdn 4 Dr	4776	4824	4682
85 FORD TEMPO			
GL Sdn 4 Dr	3713	3751	3641
86 FORD LTD			
Sdn	4944	4993	4843
85 FORD LTD			
Sdn	3870	3908	3791
86 FORD CROWN VIC			
Sdn	8504	8590	8335
85 FORD CROWN VIC			
Sdn	6954	7024	6814
86 FORD THUNDERBIRD			
Cpe	7230	7303	7089
85 FORD THUNDERBIRD			
Cpe	5960	6020	5836
86 LINCOLN CONTINENTAL			
Sdn	14,147	14,290	13,864
Town Car Sdn	12,882	13,011	12,624
Mark VII Cpe	13,793	13,929	13,517
85 LINCOLN CONTINENTAL			
Sdn	11,568	11,682	11,337
Town Car Sdn	10,446	10,550	10,237
Mark VII Cpe	11,331	11,443	11,103
86 MERCURY LYNX			
L Htchbk 4 Dr	3841	3879	3764
85 MERCURY LYNX			
L Htchbk 4 Dr	3032	3064	2972
86 MERCURY COUGAR			
Cpe LS	8045	8127	7884
85 MERCURY COUGAR			
Cpe LS	6596	6662	6464
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4949	4999	4850
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3836	3873	3759
86 MERCURY MARQUIS			
Sdn	5036	5085	4935
85 MERCURY MARQUIS			
Sdn	3921	3963	3844
86 MERCURY GRAND MARQUIS			
Sdn	9096	9161	8887
85 MERCURY GRAND MARQUIS			
Sdn	7400	7475	7250
86 OLDS FIRENZA			
Sdn	4999	5048	4898
85 OLDS FIRENZA			
Sdn	3932	3970	3853
86 OLDS CIERA			
L Coupe	6266	6331	6143
L Sdn	6343	6406	6217
85 OLDS CIERA			
LS Cpe	5061	5131	4980
LS Sdn	5145	5197	5043
86 OLDS CALAIS			
Sdn	6376	6439	6249
86 OLDS CUTLASS SUPREME			
Cpe	7001	7071	6858
Sdn	6820	6889	6686
85 OLDS CUTLASS SUPREME			
Sdn	5616	5671	5501
86 OLDS DELTA 98			
Rgcy Sdn	9422	9517	9234
85 OLDS DELTA 98			
Rgcy Sdn	7690	7767	7535
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3620	3655	3547
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2836	2867	2782
86 PLYMOUTH RELIANT			
Sdn	4520	4564	4431
85 PLYMOUTH RELIANT			
Sdn	3440	3471	3370
86 PLYMOUTH CARAVELLE			
SE Sdn	5395	5448	5285
86 PLYMOUTH GRAN FURY			
Salon Sdn	5214	5295	5139
85 PLYMOUTH GRAN FURY			
Salon Sdn	4191	4232	4105
[illegible] PONTIAC T-1000			
Sdn	3206	3240	3142
85 PONTIAC T-1000			
Sdn	2595	2621	2541
86 PONTIAC SUNBIRD			
Sdn	4910	4959	4811
85 PONTIAC SUNBIRD			
Sdn	3871	3912	3796
86 PONTIAC 6000			
Sdn	6140	6202	6019
85 PONTIAC 6000			
Sdn	4772	4820	4675
86 PONTIAC GRAND AM			
Sdn	6615	6679	6479
86 PONTIAC FIREBIRD			
Cpe	6878	6947	6740
85 PONTIAC FIREBIRD			
Cpe	5758	5818	5645
86 PONTIAC BONNEVILLE			
Sdn	6526	6592	6397
85 PONTIAC BONNEVILLE			
Sdn	5042	5092	4941
86 PONTIAC GRAND PRIX			
Cpe	6909	6981	6773
85 PONTIAC GRAND PRIX			
Cpe	5748	5807	5634
86 PONTIAC PARISIENNE			
Sdn	7866	7946	7712
85 PONTIAC PARISIENNE			
Sdn	6224	6286	6100
86 NISSAN SENTRA			
Std Sdn 2 Dr	4060	4101	3979
86 NISSAN STANZA			
GL Ntch 4 Dr	6628	6694	6495
86 NISSAN MAXIMA			
SE Sdn	9902	10,001	9704
85 NISSAN SENTRA			
Std Sdn 2 Dr	3234	3267	3170
85 NISSAN STANZA			
XE Htchbk 4 Dr	4793	4840	4697
85 NISSAN MAXIMA			
SE Sdn	8167	8249	8003
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5845	5904	5278
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7863	7941	7706
86 TOYOTA CRESSIDA			
Lux Sdn	11,531	11,645	11,300
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4924	4973	4826
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	6393	6457	6265
85 TOYOTA CRESSIDA			
Sdn	9124	9215	8942
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6774	6841	6639
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5630	5687	5518

NEW PRODUCTS

RIDE-RITE AIR ADJUSTABLE helper springs, a suspension-assist product for the commercial light truck market, has been introduced. The helper springs are cord-reinforced rubber air springs that are mounted between the frame and axle of the vehicle. They work in conjunction with the existing vehicle suspension. As the vehicle is loaded, inflatable Ride-Rite springs can be pressurized to level the load of the vehicle both front-to-back and side-to-side. *Firestone Industrial Products Co.*

Circle 211 on Inquiry Card

THE POWER SPOTTER is small enough to fit into the trunk of a car, yet powerful enough to clean heavily-soiled upholstery or badly-stained carpeting. The housing is constructed of lightweight, unbreakable ABS plastic. The unit features an interior spotter/detailer for hard-to-reach areas, clear tanks for easy monitoring of fluid levels, and weighs only 25 pounds with tools and hoses. The Power Spotter comes with a 25-foot power cord, an eight-foot vacuum-flex hose, an eight-foot solution hose, and a low-profile, stainless steel hand tool. *McDowell Supply Co.*



Circle 212 on Inquiry Card

THIS FUTURISTIC CAR NAVIGATION SYSTEM is controlled by a 16-bit, single-chip V25/V35 microprocessor that can calculate a vehicle's position using multiple sensor signals. Through these signals, the system receives all of the information necessary to gauge a vehicle's distance and speed. The navigation system's full-color display terminal is a high-grade, six-inch CRT incorporating a specially-designed keyboard, including menu and cross keys, with digital and analog RGB input terminals. The CD-ROM cartridge design allows for clean handling to protect the cartridge's database. The disk is "built-in" to the cartridge plastic cover and loads directly so that the user need never touch the disk. *NEC Home Electronics (U.S.A.) Inc.*

Circle 213 on Inquiry Card

AN AUTOMATED VOICE-RESPONSE SYSTEM has been designed that virtually converts any touch-tone telephone into a terminal which connects to a central computer. The Trucker Voice Exchange (TVX) allows drivers to leave and receive recorded messages 24 hours a day, use touch-tone digits to key in location and status (such as goods delivered), and/or speak directly to a dispatcher. With the system, high-priority calls get immediate attention, and around-the-clock accessibility is assured. The TVX produces printed reports on call activity to increase productivity. The information can be used by management to determine dispatcher staff requirements. *ABS Associates, Inc.*

Circle 214 on Inquiry Card

GAS PRICES

UNLEADED

	Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Mobile, AL	117.7	86.7
Kingman, AZ	144.9	108.9
Pasadena, CA	122.4	83.9
Stamford, CT	125.1	102.7
Key West, FL	138.9	102.9
Augusta, GA	125.4	84.2
Chicago, IL	133.9	97.4
New Orleans, LA	122.9	86.9
Grand Rapids, MI	122.7	90.4
Charlotte, NC	133.4	86.9
Reno, NV	143.6	106.7
Brooklyn, NY	98.9	91.9
San Antonio, TX	110.4	78.4
Yakima, WA	159.9	104.9
Wheeling, WV	114.9	87.4

Survey conducted during the first five working days of April 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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june 1988

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

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SEARS

Budget's Belzberg Interview
Rental Software Programs
Convention Reviews
Captive Financing
Van Rentals

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CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE
BOBIT PUBLISHING

JUNE 1988
VOL. 27, NO. 8
Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

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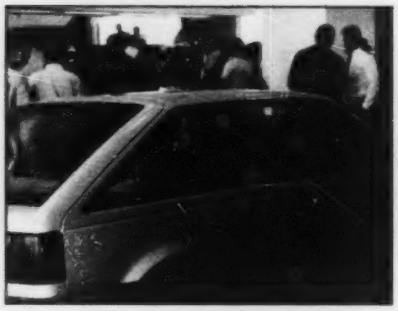

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On the cover: On display is a sampling of the rental vehicles available at Budget's corporate location at the O'Hare International Airport in Chicago.

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What can operators do to increase rentals during off-season periods?

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The Class 3 market promises to become even more competitive.

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For the 14th year in the past 15, automobile ownership and operating expenses rose as all major vehicle outlays increased, according to the annual 1987 estimates issued by The Hertz Corporation

New-Car Ownership and Operating Costs Study

A recently-issued survey by The Hertz Corp. reports a rise in auto ownership and operating expenses and increases in all major vehicle outlays, as indicated by their estimates for 1987. Topping the half-dollar mark, a typical compact model reached a record operating cost of 51.14 cents a mile, an increase of 5.5 percent or 2.7 cents above 1986's 48.48 cents a mile. This 51.15 cents a mile figure is for a normally-equipped compact make, purchased new and driven 10,000 miles annually for five years, the typical pattern for U.S. new-car driving.

Since 1972, the year prior to the first Arab oil embargo, the cost of owning and operating a typical U.S. car has soared by 220 percent, with the only drop of 5.2 percent occurring in 1983. In comparison, the overall national costs of living have increased by 171 percent for the same 15-year period.

The new survey lists the 1987 increases in all auto expense categories: licenses, taxes, fees, interest, maintenance, repairs, fuel, and depreciation—the difference between the purchase price of the auto and its resale value. The study excludes parking costs and tolls.

Typically, the purchase price for a 1987 compact car rose by nearly 6.9 percent to $11,155 from the 1986 price of $10,439. Since 1972, the typical purchase price for an auto has climbed by 305 percent. The study points out that purchase price increases can also boost depreciation, loan, tax, and insurance outlays. The study also notes that the increase in sticker price is higher than the operating cost increase, because people are driving smaller cars fewer miles and keeping these cars longer.

Vehicle size, equipment, annual mileage, duration of ownership, and

Hertz 1978-1987 Cost Estimates by Car Size

Year	1987	'87-86% Change	1986	1985	1984	1983	1982	1978	'78-87% Change
Subcompact	.4757	1.177	.4042	.4092	.3663	.3463	.3418	.2252	+1.11
COMPACT	.5114	1.055	.4848	.4764	.4567	.4328	.4467	.2485	+1.06
Mid-size	.5997	1.068	.5613	.4715	.4861	.4546	.4902	.2873	+1.09
Intermediate	.6107	1.118	.5464	.5283	.5019	.4956	.5009	.2891	+1.11
Standard	.6637	1.054	.6296	.5977	.6297	.5542	.5231	.3233	+.948
5-Size AVG.	.5722	1.089	.5253	.5018	.4817	.4567	.4605	.2747	+1.08

locale are all significant variables in the cost of auto expenses, according to Hertz.

In the current report, the sharpest increase was for a subcompact, which rose 17.7 percent, from 40.42 cents in 1986 to 47.57 cents in 1987. Standard-size autos rose 5.4 percent to 66.37 cents a mile, almost a 40-percent increase above the 47.57 cents a mile cost for a subcompact for the same period.

> *In the current Hertz report, the sharpest increase was for a subcompact which rose 17.7 percent from 40.42 cents a mile in 1986 to 47.57 cents a mile in 1987.*

According to the Hertz study, keeping cars longer can save motorists money. For example, a new 1987 compact driven 10,000 miles a year and traded annually costs 62.5 cents a mile, whereas one that is run 10,000 miles annually for 10 years averages 39.8 cents a mile, a savings of 22.72 cents a mile or $22,720 for the life span of the car.

Three-quarters of all outlays for typical driving are fixed or standing expenses such as depreciation, interest, insurance, licenses, taxes, and various fees. These expenses are influenced largely by the purchase price of the car and the length of time the vehicle is driven. The remaining 25 percent of expenses are the variable or running costs, such as gasoline, oil, maintenance, repairs, parts, and accessories.

Trading (or selling) a car sooner raises the fixed to variable cost ratio to about four-fifths of the total charges. Keeping a car longer will usually lower it to roughly two-thirds of the total charges.

The report from Hertz stresses that variation in annual driving distances will have a material affect on cents-per mile costs as the annual fixed dollar outlay is divided by more, or fewer, miles.

For the five-year owner, a new 1987 compact's costs ranged from 89.43 cents a mile at 5,000 miles a year to 28.08 cents a mile at 20,000 miles a year—61.35 cents a mile less.

On an annual dollar basis, however, 5,000 miles a year totals just $4,471, while 20,000 miles a year totals $5,616—$1,145 a year more. For 1986, the latest year for which there are mileage figures, the average driving distance for U.S. passenger cars in their first five years of service was 11,005 miles. (Cars are typically driven more miles in early years; fewer miles in later years.)

The Hertz data reflects ongoing changes in automotive purchase and driving patterns for the U.S. motorist. From the early 1970s to the early 1980s, motorists purchased smaller vehicles which they kept longer and drove less in their attempts to keep their driving costs in line with family income. However, 1984 through 1986 have seen an increase in the average yearly passenger car miles. Other survey findings indicate that compact cars, rather than intermediates, are the most typical new models purchased, and most vehicles are about a foot shorter than their 1972 counterparts. New cars are now kept an average of 5.4 years against the 3.6 years average of 1972, and the average age of all cars on the road is now 7.6 years as compared to the 5.7 years of 15 years ago.

Because driving expenses can vary dramatically from a wide array of circumstances, Hertz believes motorists should figure their own vehicle outlays. As an example, the cost for parking and tolls in major cities can add 10 to 40 cents a mile to the 51.14 cents average for the compact driven 10,000 annual miles for five years. As driving patterns vary, so can costs vary substantially even for similar autos in the same locale driven for equal mileage and use periods. AF

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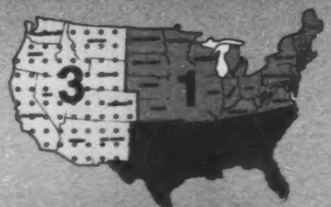
NAFA AFFILIATE

Circle 136 on Inquiry Card

USED CARS

The following are average used-car prices for the period ending May 4, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



86 AMC ALLIANCE			
Sdn 4 Dr L Series	3512	3549	3443
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2689	2714	2635
86 AMC ENCORE			
Sdn 5-Dr S Series	3445	3480	3377
85 AMC ENCORE			
Sdn 5-Dr S Series	2673	2698	2618
86 BUICK SKYHAWK			
Cust Coupe	5940	6002	5822
Cust Sdn	6029	6091	5910
86 BUICK CENTURY			
Cust Sdn	6316	6381	6191
85 BUICK CENTURY			
Cust Sdn	5130	5180	5028
86 BUICK SKYLARK			
Cust Sdn	6346	6410	6219
85 BUICK SKYLARK			
Cust Sdn	3881	3922	3806
86 BUICK SOMERSET REGAL			
Coupe	6403	6464	6273
86 BUICK RIVIERA			
Coupe	10,268	10,370	10,064
85 BUICK RIVIERA			
Coupe	8489	8573	8320
86 BUICK LE SABRE			
Cust Sdn	7883	7962	7727
85 BUICK LE SABRE			
Cust Sdn	6333	6397	6209
86 CADILLAC DE VILLE			
Cpe	11,979	12,098	11,740
Sdn	12,135	12,257	11,895
85 CADILLAC DE VILLE			
Cpe	9246	9340	9062
Sdn	9246	9340	9062
86 CADILLAC SEVILLE			
Sdn	14,960	15,110	14,660
85 CADILLAC SEVILLE			
Sdn	12,644	12,770	12,393
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3149	3178	3086
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2520	2547	2470
86 CHEVY CAMARO			
Cpe	6794	6861	6658
85 CHEVY CAMARO			
Cpe	5681	5737	5568
86 CHEVY CAVALIER			
Sdn	4550	4596	4460
85 CHEVY CAVALIER			
Sdn	3650	3686	3577
86 CHEVY CELEBRITY			
Sdn	5864	5922	5747
85 CHEVY CELEBRITY			
Sdn	4551	4597	4460
86 CHEVY CAPRICE			
Sdn	6390	6454	6260
85 CHEVY CAPRICE			
Sdn	5979	6038	5856
86 CHRYSLER LE BARON			
Cpe	5844	5904	5731
Sdn	5903	5964	5787
85 CHRYSLER LE BARON			
Cpe	4695	4742	4602
Sdn	4725	4775	4631
86 CHRYSLER FIFTH AVENUE			
Sdn	8970	9058	8791
85 CHRYSLER FIFTH AVENUE			
Sdn	7290	7363	7143
86 DODGE OMNI			
Htchbk 4 Dr	3611	3645	3538
85 DODGE OMNI			
Htchbk 4 Dr	2827	2856	2771
86 DODGE ARIES			
Sdn	4502	4548	4412
85 DODGE ARIES			
Sdn	3395	3426	3324
86 DODGE DIPLOMAT			
Sln Sdn	5184	5237	5082
85 DODGE DIPLOMAT			
Sln Sdn	4011	4048	3927
86 DODGE LANCER			
Sdn	5779	5835	5662
86 DODGE 600			
Sdn	5565	5620	5453
85 DODGE 600			
Sdn	4235	4278	4151
86 FORD ESCORT			
Htchbk 4 Dr L Series	3787	3826	3710
85 FORD ESCORT			
Htchbk 4 Dr L Series	2992	3021	2931
86 FORD MUSTANG			
LX-4 Cpe	5461	5514	5350
85 FORD MUSTANG			
LX-4 Cpe	4475	4519	4387
86 FORD TAURUS			
GL Sdn 4 Dr	7335	7412	7191
86 FORD TEMPO			
GL Sdn 4 Dr	4762	4810	4668
85 FORD TEMPO			
GL Sdn 4 Dr	3702	3740	3630
86 FORD LTD			
Sdn	4879	4928	4781
85 FORD LTD			
Sdn	3820	3857	3742
86 FORD CROWN VIC			
Sdn	8478	8564	8310
85 FORD CROWN VIC			
Sdn	6933	7003	6794
86 FORD THUNDERBIRD			
Cpe	7230	7303	7089
85 FORD THUNDERBIRD			
Cpe	5966	6026	5843
86 LINCOLN CONTINENTAL			
Sdn	14,035	14,175	13,753
Town Car Sdn	12,817	12,946	12,561
Mark VII Cpe	13,724	13,859	13,450
85 LINCOLN CONTINENTAL			
Sdn	11,464	11,578	11,234
Town Car Sdn	10,404	10,508	10,197
Mark VII Cpe	11,285	11,397	11,059
86 MERCURY LYNX			
L Htchbk 4 Dr	3826	3863	3749
85 MERCURY LYNX			
L Htchbk 4 Dr	3020	3052	2960
86 MERCURY COUGAR			
Cpe LS	8045	8127	7884
85 MERCURY COUGAR			
Cpe LS	6603	6669	6470
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4934	4984	4834
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3824	3861	3748
86 MERCURY MARQUIS			
Sdn	4971	5020	4871
85 MERCURY MARQUIS			
Sdn	3870	3911	3795
86 MERCURY GRAND MARQUIS			
Sdn	9051	9143	8869
85 MERCURY GRAND MARQUIS			
Sdn	7385	7460	7235
86 OLDS FIRENZA			
Sdn	4984	5033	4883
85 OLDS FIRENZA			
Sdn	3932	3970	3853
86 OLDS CIERA			
L Coupe	6246	6312	6125
L Sdn	6324	6387	6198
85 OLDS CIERA			
LS Cpe	5061	5111	4960
LS Sdn	5125	5175	5023
86 OLDS CALAIS			
Sdn	6370	6433	6242
86 OLDS CUTLASS SUPREME			
Cpe	6973	7043	6830
Sdn	6794	6861	6659
85 OLDS CUTLASS SUPREME			
Sdn	5610	5665	5495
86 OLDS DELTA 98			
Rgcy Sdn	9403	9498	9216
85 OLDS DELTA 98			
Rgcy Sdn	7675	7751	7520
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3609	3644	3536
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2823	2853	2768
86 PLYMOUTH RELIANT			
Sdn	4483	4527	4396
85 PLYMOUTH RELIANT			
Sdn	3396	3427	3326
86 PLYMOUTH CARAVELLE			
SE Sdn	5619	5674	5506
86 PLYMOUTH GRAN FURY			
Salon Sdn	5218	5268	5114
85 PLYMOUTH GRAN FURY			
Salon Sdn	4157	4198	4073
86 PONTIAC T-1000			
Sdn	3180	3214	3117
85 PONTIAC T-1000			
Sdn	2574	2600	2520
86 PONTIAC SUNBIRD			
Sdn	4895	4944	4797
85 PONTIAC SUNBIRD			
Sdn	3859	3900	3785
86 PONTIAC 6000			
Sdn	6104	6164	5983
85 PONTIAC 6000			
Sdn	4720	4768	4624
86 PONTIAC GRAND AM			
Sdn	6606	6672	6473
86 PONTIAC FIREBIRD			
Cpe	6878	6947	6740
85 PONTIAC FIREBIRD			
Cpe	5746	5806	5634
86 PONTIAC BONNEVILLE			
Sdn	6526	6592	6397
85 PONTIAC BONNEVILLE			
Sdn	5027	5077	4926
86 PONTIAC GRAND PRIX			
Cpe	6909	6981	6773
85 PONTIAC GRAND PRIX			
Cpe	5737	5795	5623
86 PONTIAC PARISIENNE			
Sdn	7826	7906	7674
85 PONTIAC PARISIENNE			
Sdn	6193	6254	6070
86 NISSAN SENTRA			
Std Sdn 2 Dr	3979	4019	3899
86 NISSAN STANZA			
GL Ntch 4 Dr	6495	6560	6365
86 NISSAN MAXIMA			
SE Sdn	9852	9951	9655
85 NISSAN SENTRA			
Std Sdn 2 Dr	3153	3185	3091
85 NISSAN STANZA			
XE Htchbk 4 Dr	4673	4719	4580
85 NISSAN MAXIMA			
SE Sdn	8085	8167	7923
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5728	5786	5613
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7706	7782	7552
86 TOYOTA CRESSIDA			
Lux Sdn	11,300	11,412	11,074
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4826	4874	4729
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	6265	6328	6140
85 TOYOTA CRESSIDA			
Sdn	8942	9031	8763
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6703	6773	6573
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5574	5630	5463

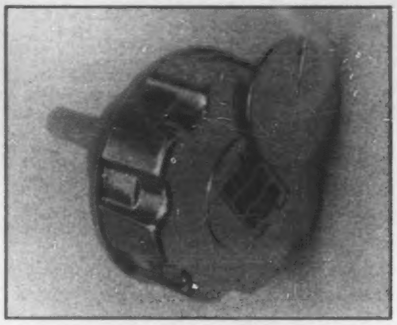
NEW PRODUCTS

BESIDES DRIVING SCHOOLS, right-hand-drive vehicles are now being used by a large number of municipalities for parking control vehicles. Right-hand and dual-drive vehicles feature spiral-cut gears in gear boxes for longer life. There are no chains or belts anywhere in the braking or steering mechanisms.

Both right- and left-side braking mechanisms are tied to the original factory master cylinder eliminating any possibility of brake delay and unwanted maintenance. All control parts are factory parts save for the gear boxes, shafts, and U-joints, and there is individual, independent throttle linkage for each side of the vehicle to throttle. If dual drive, the turn signal, wiper, and hazard light controls are located at each steering position with the ignition key centrally located. *U.S. Coachworks.*

Circle 215 on Inquiry Card

EXTRA PROTECTION and a spare keyholder come in a single gas cap. The Dial Gas Cap is a personal-combination locking gas cap with a keyholder that is designed of strong metal and gas-resistant plastic. The unit prevents syphoning of gas from the vehicle and fits the majority of cars with standard-size gas caps. *2nd City Distributors.*



Circle 216 on Inquiry Card

THE NEW SENTRY PACK HIGHWAY KIT features a complete selection of emergency supplies needed for highway travel. The kit includes flashlight, set of all-copper battery cables, road atlas, road flares, first-aid kit, help flag, and more. The complete kit is supplied in a rugged, guaranteed case. *Safetyscope, Inc.*

ROAD ATLAS
TIRE

Circle 217 on Inquiry Card

SOMETIMES DRIVERS GET SO CLOSE to overhead traffic lights that the light can't be seen. This new product is an optically-precise wide-view lens that gives drivers a full view of overhead traffic lights and signs. It can be mounted instantly on any front windshield. An adjustable bracket backed with pressure-sensitive tape holds the lens securely to the top of the windshield, and it can be bent to the desired angle for the best view. *Roberk Division, Parker Automotive.*

Circle 218 on Inquiry Card

A NEW VEHICLE COMPUTER designed to place accurate travel data at a driver's fingertips has been introduced. The Odometer Data Computer (ODC) consists of a computer with 2K memory and with printer. The computer, which attaches to a vehicle's driveshaft via two magnets, a strap system, and epoxy, can be installed by any auto sound-system technician. The computer's magnets emit pulses as they rotate. Once the ODC's odometer is calibrated with the vehicle's, it records actual distance traveled, as well as day, date, and time. Weigh-

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Pine Bluff, AR	125.2	86.9
Oakland, CA	142.9	99.6
Denver, CO	131.0	102.2
Washington, DC	135.9	100.5
Miami, FL	128.6	92.0
Honolulu, HI	176.5	123.2
Des Moines, IA	138.0	108.0
Kansas City, KS	101.2	90.9
Springfield, MA	98.9	97.9
Minneapolis, MN	139.5	102.2
Hannibal, MO	96.9	84.9
Reno, NV	145.0	111.0
New York City, NY	111.7	89.9
Charleston, SC	118.4	88.9
Houston, TX	126.2	86.2

Survey conducted during the first five working days of May 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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july 1988

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Buick's Restyled
'89 Century

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

bp BOBIT PUBLISHING

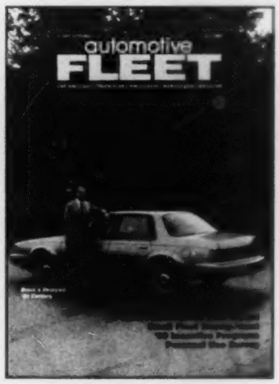
JULY 1988
VOL. 27, NO. 9

Influencing the management of 4,584,000 cars and 1,970,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

No Package	Package C
$9,940	$9,940
$659	PKG
STD	STD
STD	STD
$104	$104

p. 43

p. 78



On the cover: Appearing next to the restyled 1989 Buick Century is Jim Pirtle, Buick's director of fleet sales.

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INDUSTRY NEWS

FTC Changes Used-Car Guidelines

The Federal Trade Commission has revised its guidelines for dealer compliance with its Used Car Rule.

The Used Car Rule requires dealers to display on the vehicle's window sticker the basic terms and conditions of any warranty covering it. The Used Car Rule became effective in 1985.

According to revisions, a limited exemption from compliance for lessees that sell fewer than six vehicles a year was approved. The FTC refused to exempt cars sold through auctions, repossession lots, bids, and consignments.

In addition, the FTC decided that the terms of the sales contract do not have to include the final warranty terms, but may be supplied in a separate document presented to the buyer with the sales contract.

Another revision stated that a financing document must include warranty disclosures required under the Used Car Rule if the document is the "complete and total agreement between the dealer and the consumer."

Buick Video First

Fleet new-car introductions have taken many forms, but none have matched the '89 product preview innovated by Buick this year. Through video creativity, Buick has inserted a specially-prepared new-car announcement cassette in this issue of *Automotive Fleet* in order to visually reach the total fleet market on a direct basis. This media technique has never been used before and provides each fleet buyer with a 26-minute presentation of the '89 Buick models, in color and narrated, to assist the fall purchasing selection program. The unique videotape mailing, to nearly 21,000 fleet people, is a first according to U.S. Postal Service officials. Jim Pirtle, Buick's director of fleet sales, stated that the videotape's distribution to the industry "underscores our continuing commitment to the fleet market."

Penske, GE Capital Agree to Form New Venture

GE Capital and Penske Corp. announced they have reached agreement in principal to form a joint venture that would combine Penske's Hertz Penske truck leasing unit with GE Capital's Gelco truck leasing business. The transaction is expected to close by the end of July, and is subject to review by the appropriate regulatory agencies and approval of the GE Capital and Hertz Penske boards of directors.

The new joint venture will create a national full-service truck leasing and rental company with more than 56,000 vehicles and more than 400 service and maintenance facilities. The new entity will be owned by Penske and GE Capital.

The two companies said the joint venture will have $1.5 billion in assets and $750 million in annual revenue. Most of the employees of the current joint venture will retain their jobs, with total employment figures near 5,500 people.

Hertz Penske Truck Leasing, Inc., which Penske formed in 1982 as a joint venture with the Hertz Corp., is headquartered in Reading, PA. The company is a subsidiary of Red Bank, NJ-based Penske Corp., a privately-held transportation services company. Penske will exercise its option to purchase Hertz' interest in Hertz Penske prior to entering into the joint venture with GE Capital.

Government May Buy Alternative-Fuel Vehicles

The federal government may purchase up to 20,000 alternative-fuel vehicles that run on gasoline and/or a methanol or ethanol mixture.

The U.S. Department of Energy is requesting information from automakers on the design, manufacture, and delivery of alternative-fuel vehicles. The Department of Energy will advise the General Services Administration, the government's purchasing arm, on the possible ve-

GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Juneau, AK	149.9	134.4
Kingman, AZ	145.2	114.9
Santa Ana, CA	147.9	94.4
Stamford, CT	128.2	105.1
Wilmington, DE	125.9	88.4
Fort Myers, FL	120.9	89.9
Chicago, IL	135.8	101.2
Louisville, KY	127.2	101.9
Alpena, MI	96.4	91.4
Springfield, MO	113.4	81.9
Charlotte, NC	136.4	88.9
Bismark, ND	129.4	100.4
Albuquerque, NM	121.9	100.4
Rochester, NY	100.2	91.9
Oil City, PA	96.9	85.4

Survey conducted during the first five working days of June 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

This year's findings show that 87 percent of the surveyed U.S. fleet managers allowed drivers to use company-provided cars for personal use. On the average, over 20 percent of an employee's monthly mileage is for personal use.

NAFA's 1988 Personal Use Survey

Altogether 463 fleet managers responded to the National Association of Fleet Administrators' 1988 Personal Use Survey. Among the fleets responding to the survey, 70 were government fleets, 61 were industrial-manufacturing fleets, 55 were insurance fleets, and 51 fleets were in the drug and cosmetic industries.

In total, the responding fleets operated 518,401 vehicles, of which 480,126 were in the United States. The U.S. total included 257,330 company-owned vehicles and 222,796 leased vehicles.

Survey Results

Survey results show 87 percent of U.S. fleet managers allow drivers to use company-provided vehicles for personal use. A driver's spouse is permitted to use a company vehicle for personal use by 62 percent of the responding fleets. Only 28 percent of the survey respondents allow employee's children with driver licenses to drive a company vehicle, while 24.1 percent of U.S. fleets set an average minimum driving age of 21 years.

Responding fleet managers report that drivers average 1,975 miles monthly on a company vehicle, with 408 of these miles for personal use. On the average, 20.7 percent of an employee's total monthly mileage is for personal use. Only 15 percent of U.S. fleets have set a maximum allowable number of monthly personal miles.

On this subject, 75.6 percent of the fleets allowing personal use of a company vehicle said employees can use the vehicle for personal use "whenever necessary;" 13.2 percent allow personal use only to and from work; 4.7 percent allow personal use "only while working;" 1.5 percent allow personal use "only while on vacation;" 1.2 percent allow personal use only on weekends and holidays, and 3.8 percent allow personal use at "other" times.

To cover the costs of allowing drivers to use a company vehicle for personal use, 83.3 percent of the surveyed fleets said they charge drivers for personal use of a company vehicle. Of these, 32.5 percent charge on a cents-per-mile basis; 31.9 percent on a weekly or monthly flat rate basis, 8.6 on a combination of both cents-per-mile and flat rate per week or month. Another 1.2

Under which conditions are employees permitted personal use of a company vehicle?

	Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Mfg. Industrial	Mfg. Consumer	Public Utility	Government	Banking Financial	Communications	Service Org.	Electronics	Other	% of Total
U.S.														
Whenever necessary	31	25	52	10	50	32	5	4	13	2	12	3	19	75.6%
Only to and from work	0	0	0	7	0	0	6	22	4	5	0	0	1	13.2%
Only while working	1	0	0	1	0	0	3	7	0	3	0	0	1	4.7%
Only weekends & holidays	1	0	0	1	0	0	1	1	0	0	0	0	0	1.2%
Only while on vacation	1	1	0	1	1	1	0	0	0	0	0	0	0	1.5%
Other	1	0	0	3	0	0	2	4	0	1	0	2	0	3.8%

percent charge drivers for personal use on a graduated scale of cents-per-mile for the first set of miles then a different amount for any miles over that limit. The remaining 25.8 percent of the survey respondents said they use methods other than those listed to charge their employees for personal use.

Personal Use Charges

Fleets using the cents-per-mile method to charge drivers for personal use of a company vehicle collect an average of 17.5 cents per mile. Those charging drivers each month or week collect an average rate of $23 per week or $58 per month. Fleets using a combination of cents-per-mile and flat weekly or monthly rates collect an average of 11.5 cents per mile and $40 each month. Fleets using the graduated scale charge an average of 19.3 cents for the first 7,650 personal miles in a calendar year and 14.3 cents for each mile over that.

When collecting these charges, 42 percent of the fleets use salary deductions, 38.2 percent have drivers fill out expense reports, and 19.8 percent use "other" methods.

Driver Reimbursement

When an employee uses a personally-owned vehicle for company purposes because their assigned fleet vehicle is inoperable, 87.2 percent of the fleets reimburse the employee on a cents-per-mile basis. Employees were reimbursed at an average 21.4 cents per mile.

When reimbursing employees not assigned fleet vehicles for business use of personally-owned vehicles, the cents-per-mile method is again the most common, according to 81.6 percent of the respondents. The average reimbursement rate is 21.5 cents per mile.

Other Survey Findings

If an employee has an accident in a company vehicle while driving for personal use, 71.8 percent will not be charged for any repair costs resulting from the accident.

According to the survey results, of the 28.2 percent of employees charged for a portion of the accident repair costs, 43.1 percent pay an average amount of $197; 41.3 percent must pay the insurance policy deductible; 12.8 percent will be billed for the full amount of the damages, and 2.8 percent will pay an average fixed share of 28 percent of the costs.

Drivers for 52.8 percent of the surveyed fleets are assigned company vehicles as a fringe benefit, while 26.1 percent are assigned a vehicle when their yearly mileage warrants it, which averages 12,843 miles. Another 11.7 percent are assigned a vehicle because of their job title and 9.4 percent are assigned vehicles for reasons other than those listed.

When a driver's assigned fleet vehicle is inoperable, 33.6 percent allow drivers to use their personal car for business, 31 percent permit drivers to rent vehicles, 27.7 percent allow the employee to use a company pool vehicle, 5.5 percent have drivers use the district manager's vehicle, and 2.2 percent authorize "other" means of transportation.

Continued on page 58

Is employee charged for personal use of company vehicle?

	Drugs & Cosmetics	Food & Beverage	Insurance	Chemical & Petroleum	Mfg. Industrial	Mfg. Consumer	Public Utility	Government	Banking Financial	Communications	Service Org.	Electronics	Other	% of Total
U.S. — Yes	29	25	51	18	49	29	16	18	16	8	9	4	12	83.3%
No	6	0	1	5	1	3	7	10	3	4	5	1	11	16.7%

How are employees charged for personal use of a company vehicle? What amount?

United States	Drugs & Cosmetics	Food & Beverage	Insurance	Chemical/ Petroleum	Mfg. Industrial	Mfg. Consumer	Public Utility	Government	Banking Financial	Communications	Service Org.	Electronics	% of Other	Total	Total
Per Mile Charge	13	9	23	11	18	10	6	4	3	3	2	0	4	106	32.5%
Avg. Amount (cents)	.169	.137	.167	.191	.165	.185	.182	.226	.217	.193	.188	0	.179	.175	
Monthly/Weekly Charge	12	7	18	4	18	11	6	8	7	2	4	1	6	104	31.9%
Avg. Amount (dollars)															
Weekly:	$25	0	$16	$11	$27	$11	$14	$13	$35	$22	$60	$20	$12	$23	
Monthly:	$49	$53	$58	$43	$69	$51	$60	$47	$58	0	$120	0	$98	$58	
Combination of both cents/mile & monthly or weekly charge:	4	2	5	0	7	5	1	0	3	0	0	1	0	28	8.6%
Avg. charged per mi.	.070	.105	.100	0	.069	.083	.225	0	.293	0	0	.225	0	.115	
Avg. Month (dollars)	$23	$10	$38	0	$43	$45	$70	0	$62	0	0	$53	0	$40	
Graduated scale:	0	0	0	1	2	0	0	0	0	0	1	0	0	4	1.2%
1. Amt. for 1st number of miles	.000	.000	.000	.225	.130	.000	.000	.000	.000	.000	.225	.000	.000	.193	
2. No. of miles reimbursed at rate in 1.	0	0	0	15,000	300	0	0	0	0	0	15,000	0	0	7,650	
3. Amt. for any mileage over that in 2.	.000	.000	.000	.110	.175	.000	.000	.000	.000	.000	.110	.000	.000	.143	
Other	8	9	8	5	10	6	5	9	6	4	4	3	7	84	25.8%

1987-1988 Personal Use Survey Comparison

	1987	1988
Total Fleets Responding	464	463
Total Vehicles	394,091	518,401
Company-owned	221,049	283,517
Leased	173,042	234,884
Personal use of company vehicle permitted by:		
Employee	89%	87%
Employee's spouse	77%	65%
Employee's licensed children	44%	34%
Others	13%	5%
No one; personal use not permitted	11%	13%
Minimum age set for drivers other than employees for use of company vehicle for personal use	38.1%	35.9%
Percent of monthly total fleet mileage considered for personal use	20.1%	20.7%
Average personal mileage per driver per month	473	408
Set maximum number of personal mileage permitted each month	18%	15%
U.S. Limit (miles)	590	388
Employee charged for personal use of company vehicle:	80%	81.1%
Charging method used for personal use of company vehicle:		
Per mile	45%	32.0%
Weekly/monthly rate	39%	33.3%
Combination per-mile/weekly/monthly rate	15%	8.1%
Graduated scale	NA	1.1%
Other	NA	25.5%
("Graduated scale" and "Other" options not given last year.)		
Personal Use Charges Collected Via:		
Expense report	68%	37.4%
Salary deduction	73%	44.0%
Other	NA	18.6%
("Other" option not given last year.)		
Factors governing assignment of company vehicle		
Yearly business mileage	31.2%	24.2%
Job title	45.2%	13.1%
Fringe benefit	14.7%	53.5%
Other	8.9%	9.0%
Repair cost paid by driver because of personal use accident	36.0%	31.8%
Full amount	5.0%	10.4%
Fixed share (percentage amount)	.7%	2.1%
Dollar amount	35.0%	45.8%
Insurance deductible	41.0%	41.7%
Other	18.3%	NA
REIMBURSEMENTS		
Employees reimbursed for business use of personal vehicle—assigned fleet vehicle inoperable		
Per mile rate	96.4%	85.1%
Weekly/monthly rate	.8%	1.4%
Combination of per-mile/weekly/monthly rate	.8%	.7%
Graduated scale	2.0%	5.2%
Other	NA	6.6%
Employees reimbursed for business use of personal vehicle— no assigned fleet vehicle		
Per mile rate	90.8%	81.3%
Weekly/monthly rate	2.0%	4.8%
Combination of per-mile/weekly/monthly rate	4.7%	3.1%
Graduated scale	2.5%	6.3%
Other	NA	4.5%
IRS (or similar governmental body) audit in last 2 years	8%	7.3%

Note: Some questions were re-phrased from 1987 making some comparisons unrealistic.

—an association of corporate travel managers.

Many of the country's coachbuilders are attuned to the fact that limousines are increasing in popularity in the business world and are designing cars accordingly. Cellular telephones and desks are perhaps the two most common amenities aimed at the corporate market. Mobile FAX machines and computer terminals or modems are also becoming more popular.

Haverhill, MA-based Royale Limousine Manufacturers introduced a new 12-inch corporate limousine conversion at the *Limousine & Chauffeur* Show in Atlantic City last January. Designed with the executive in mind, the car contains a front-mounted VCR, a computer compatible eight-inch color television monitor, and rear seat pockets for paperwork storage. In keeping with most corporations' desire for a low profile, the car is understated yet elegant.

Coachbuilders are also able to customize cars to meet specific needs. Schaumburg, IL-based Limousine Werks, for example, recently installed a drawing board with reading lamps in a car for a commercial builder.

"Anything found in an office can be duplicated in a limo," says Matthew Baines, president of Limousine Werks. "Corporate users expect an array of options created especially for the business person."

Fort Smith, AR-based Armbruster/Stageway has two cars designed with the corporate market in mind. The Squire is built on the Lincoln Town Car Sedan. The Squire is not stretched, making it a chauffeur-optional car, but it does feature a fold-down writing table, automatic table work lights, reading lights, and dark tinted glass.

Armbruster/Stageway's Manhattan is built on the Cadillac chassis. This car is available in three different stretch lengths and offers a variety of amenities such as privacy partition, storage pockets, and rear-facing, fold-down seating for three additional passengers.

While sedans and stretches continue to be the most popular type of limousine, coaches designed to carry more people are also a viable tool in the business world. Vehicles such as the Executive Cruiser by Boca Raton, FL-based Zimmer Motor Coach can serve as a boardroom on wheels when groups of up to nine passengers are traveling together.

The 29-foot Executive Cruiser made its debut in 1987. Electrical outlets make it possible for business travelers to catch up on paperwork, dictation, or typing. The Zimmer also offers optional individual chair tables or a conference table.

There are currently an estimated 5,500 limousine services in the country. Approximately 50 coachbuilders supply the industry with stretched Cadillacs and Lincolns each year. Competition among limousine operators is heated but there are those companies that seek an edge by operating without proper licensing or liability insurance.

The Public Utilities Commission governs the limousine industry in most states. In addition, companies are required to carry a minimum amount of liability insurance. By asking to see a company's PUC license, and proof of insurance, a corporation can ensure that a company is complying with state laws.

The variety of cars and options available—everything from a basic sedan with tinted windows to a stretch with a computer hookup—make it possible for every executive to find a car that meets his or her individual needs.

Large Fleets Trim Executive Cars

A recent survey shows an emerging trend to reduce the number of executive cars in corporate fleets. According to a *Runzheimer Reports On Transportation* survey, the executive company car is being cut back. Three reasons were cited for the decrease in executive cars: a change in tax laws increased the tax on fringe benefits, such as executive cars; insurance rates have increased, and the current trend among most businesses is to trim excess expenses.

Larger fleets were affected the most, as fleets with more than 500 vehicles decreased executive cars by 19 percent (Table 1). However, according to Ken Groh, Runzheimer transportation consultant, companies with smaller fleets are more likely to be privately held, and therefore, less likely to encounter stockholders who question the need for an executive car.

Fleets Decreasing Executive Car Use

Fleet Size	Yes	No
Less than 100	11%	89%
101-300	8%	92%
301-500	14%	86%
More than 500	19%	81%

Source: Runzheimer

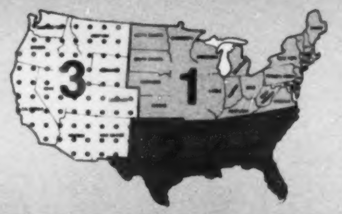
Table 1

The survey also showed that 44 percent of the car models that corporations provide executives are considered "top-of-the-line" models. These include all Cadillacs and Lincolns, plus the most expensive Oldsmobiles, Buicks, Chevrolets, Chryslers, Mercurys, and Fords. An almost equal amount, 42 percent, are middle-line models which are often the same models provided to other fleet drivers.

Groh adds that the changing of car models suggests that many corporations are downsizing the fleet car provided to executives. "This may be the solution to the problem of giving up what many employees feel is an expected fringe benefit," says Groh.

USED CARS

The following are average used-car prices for the period ending June 1, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



AVERAGE AUCTION PRICE

Model	Zone 1	Zone 2	Zone 3
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3483	3518	3415
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2657	2683	2604
86 AMC ENCORE			
Sdn 5-Dr S Series	3411	3445	3342
85 AMC ENCORE			
Sdn 5-Dr S Series	2647	2673	2594
86 BUICK SKYHAWK			
Cust Coupe	4908	4957	4810
Cust Sdn	4984	5034	4884
86 BUICK CENTURY			
Cust Sdn	6284	6347	6159
85 BUICK CENTURY			
Cust Sdn	5089	5139	4987
86 BUICK SKYLARK			
Cust Sdn	6282	6345	6157
85 BUICK SKYLARK			
Cust Sdn	3862	3900	3784
86 BUICK SOMERSET REGAL			
Coupe	6339	6403	6213
86 BUICK RIVIERA			
Coupe	10,166	10,267	9,963
85 BUICK RIVIERA			
Coupe	8388	8471	8219
86 BUICK LE SABRE			
Cust Sdn	7820	7898	7663
85 BUICK LE SABRE			
Cust Sdn	6282	6345	6156
86 CADILLAC DE VILLE			
Cpe	11,895	12,015	11,657
Sdn	12,050	12,170	11,809
85 CADILLAC DE VILLE			
Cpe	9154	9245	8971
Sdn	9154	9245	8971
86 CADILLAC SEVILLE			
Sdn	16,276	16,439	15,951
85 CADILLAC SEVILLE			
Sdn	12,518	12,642	12,267
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3133	3164	3071
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2512	2537	2463
86 CHEVY CAMARO			
Cpe	6774	6841	6638
85 CHEVY CAMARO			
Cpe	5636	5692	5522
86 CHEVY CAVALIER			
Sdn	4451	4494	4361
85 CHEVY CAVALIER			
Sdn	3628	3665	3555
86 CHEVY CELEBRITY			
Sdn	5794	5852	5678
85 CHEVY CELEBRITY			
Sdn	4487	4533	4398
86 CHEVY CAPRICE			
Sdn	6339	6403	6212
85 CHEVY CAPRICE			
Sdn	5949	6009	5830
86 CHRYSLER LE BARON			
Cpe	5797	5855	5681
Sdn	5856	5914	5739
85 CHRYSLER LE BARON			
Cpe	4662	4709	4569
Sdn	4692	4739	4599
86 CHRYSLER FIFTH AVENUE			
Sdn	8898	8988	8721
85 CHRYSLER FIFTH AVENUE			
Sdn	7254	7326	7108
86 DODGE OMNI			
Htchbk 4 Dr	3582	3618	3510
85 DODGE OMNI			
Htchbk 4 Dr	2811	2837	2754
86 DODGE ARIES			
Sdn	4475	4519	4386
85 DODGE ARIES			
Sdn	3361	3395	3293
86 DODGE DIPLOMAT			
Sln Sdn	5158	5210	5055
85 DODGE DIPLOMAT			
Sln Sdn	3991	4031	3911
86 DODGE LANCER			
Sdn	5721	5779	5607
86 DODGE 600			
Sdn	5548	5604	5438
85 DODGE 600			
Sdn	4193	4235	4108
86 FORD ESCORT			
Htchbk 4 Dr L Series	3776	3814	3700
85 FORD ESCORT			
Htchbk 4 Dr L Series	2974	3004	2914
86 FORD MUSTANG			
LX-4 Cpe	5434	5488	5325
85 FORD MUSTANG			
LX-4 Cpe	4453	4497	4364
86 FORD TAURUS			
GL Sdn 4 Dr	7298	7371	7152
86 FORD TEMPO			
GL Sdn 4 Dr	4738	4786	4644
85 FORD TEMPO			
GL Sdn 4 Dr	3672	3709	3599
86 FORD LTD			
Sdn	4831	4878	4733
85 FORD LTD			
Sdn	3790	3827	3714
86 FORD CROWN VIC			
Sdn	8453	8537	8283
85 FORD CROWN VIC			
Sdn	6877	6946	6740
86 FORD THUNDERBIRD			
Cpe	7208	7280	7064
85 FORD THUNDERBIRD			
Cpe	5936	5996	5818
86 LINCOLN CONTINENTAL			
Sdn	14,007	14,147	13,726
Town Car Sdn	12,791	12,919	12,536
Mark VII Cpe	13,697	13,833	13,423
85 LINCOLN CONTINENTAL			
Sdn	11,373	11,486	11,145
Town Car Sdn	10,321	10,424	10,114
Mark VII Cpe	11,195	11,307	10,971
86 MERCURY LYNX			
L Htchbk 4 Dr	3815	3852	3738
85 MERCURY LYNX			
L Htchbk 4 Dr	3002	3032	2942
86 MERCURY COUGAR			
Cpe LS	8021	8101	7860
85 MERCURY COUGAR			
Cpe LS	6570	6636	6439
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4909	4958	4811
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3813	3850	3737
86 MERCURY MARQUIS			
Sdn	4921	4971	4824
85 MERCURY MARQUIS			
Sdn	3839	3878	3763
86 MERCURY GRAND MARQUIS			
Sdn	9006	9096	8826
85 MERCURY GRAND MARQUIS			
Sdn	7348	7422	7201
86 OLDS FIRENZA			
Sdn	4984	5034	4884
85 OLDS FIRENZA			
Sdn	3932	3971	3853
86 OLDS CIERA			
L Coupe	6215	6276	6090
L Sdn	6292	6355	6167
85 OLDS CIERA			
LS Cpe	5021	5072	4920
LS Sdn	5084	5134	4983
86 OLDS CALAIS			
Sdn	6306	6370	6181
86 OLDS CUTLASS SUPREME			
Cpe	6938	7008	6800
Sdn	6760	6828	6625
85 OLDS CUTLASS SUPREME			
Sdn	5576	5632	5466
86 OLDS DELTA 98			
Rgcy Sdn	9328	9422	9141
85 OLDS DELTA 98			
Rgcy Sdn	7614	7690	7462
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3580	3616	3508
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2807	2833	2751
86 PLYMOUTH RELIANT			
Sdn	4457	4500	4367
85 PLYMOUTH RELIANT			
Sdn	3362	3396	3294
86 PLYMOUTH CARAVELLE			
SE Sdn	5563	5619	5452
86 PLYMOUTH GRAN FURY			
Salon Sdn	5192	5244	5088
85 PLYMOUTH GRAN FURY			
Salon Sdn	4136	4178	4054
86 PONTIAC T-1000			
Sdn	3164	3196	3100
85 PONTIAC T-1000			
Sdn	2566	2592	2515
86 PONTIAC SUNBIRD			
Sdn	4880	4929	4783
85 PONTIAC SUNBIRD			
Sdn	3847	3886	3771
86 PONTIAC 6000			
Sdn	6030	6091	5910
85 PONTIAC 6000			
Sdn	4654	4701	4562
86 PONTIAC GRAND AM			
Sdn	6555	6621	6425
86 PONTIAC FIREBIRD			
Cpe	6857	6926	6720
85 PONTIAC FIREBIRD			
Cpe	5700	5757	5586
86 PONTIAC BONNEVILLE			
Sdn	6461	6525	6331
85 PONTIAC BONNEVILLE			
Sdn	4977	5027	4876
86 PONTIAC GRAND PRIX			
Cpe	6888	6957	6751
85 PONTIAC GRAND PRIX			
Cpe	5720	5777	5605
86 PONTIAC PARISIENNE			
Sdn	7803	7880	7646
85 PONTIAC PARISIENNE			
Sdn	6181	6242	6057
86 NISSAN SENTRA			
Std Sdn 2 Dr	3880	3919	3802
86 NISSAN STANZA			
GL Ntch 4 Dr	6333	6396	6206
86 NISSAN MAXIMA			
SE Sdn	9556	9652	9365
85 NISSAN SENTRA			
Std Sdn 2 Dr	3074	3105	3014
85 NISSAN STANZA			
XE Htchbk 4 Dr	4556	4601	4465
85 NISSAN MAXIMA			
SE Sdn	7863	7963	7725
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5556	5612	5445
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7475	7549	7325
86 TOYOTA CRESSIDA			
Lux Sdn	11,074	11,184	10,853
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4681	4728	4587
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	6077	6138	5956
85 TOYOTA CRESSIDA			
Sdn	8674	8760	8500
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6605	6671	6474
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5490	5546	5381

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automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

1989: Who Recommends What?

Future of Client Services

More Fleet Incentives

'89 Model Preview

1989 Dodge Spirit and
Plymouth Acclaim

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

AUGUST 1988
VOL. 27, NO. 10
Influencing the management of
4,584,000 cars and 1,970,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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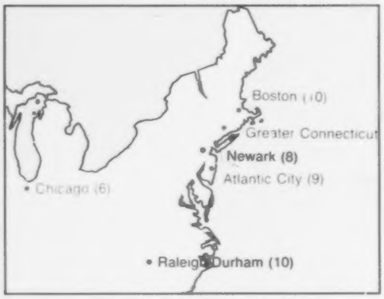

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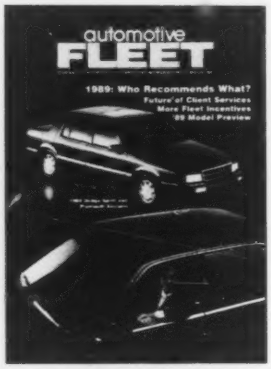

On the cover: Hal Barton is behind the wheel of the all-new 1989 Plymouth Acclaim. The all-new Dodge Spirit is in the background.

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Emphasizing specific vehicle applications, an awareness of operating costs, and ordering options to strengthen eventual resale value, the fleet industry's top lessors make their recommendations for the 1989-model year.

1989 Lessor Recommendations

ARI

Proper preventive maintenance, which minimizes driver downtime and increases awareness of safe operation of company vehicles, leads to the realization of greater resale values at the end of a lease, says ARI. To help further enhance eventual resale values, ARI recommends that the following equipment be ordered on *all* vehicles: automatic transmission, air conditioning, power steering and power brakes, AM/FM stereo radio, tinted glass, body side moldings, wheel covers, and cloth interiors.

Subcompact
(Four-door Sedan or Hatchback when possible)

Chevrolet Cavalier
Dodge Shadow
Ford Escort
Plymouth Sundance
Pontiac Sunbird

Compact
(Four-door Sedan or Hatchback when possible)

Buick Skylark
Chevrolet Corsica
Dodge Spirit
Ford Tempo
Mercury Topaz
Oldsmobile Cutlass Calais
Plymouth Acclaim
Pontiac Grand Am

Cruise Control (Open Road, High Mileage Vehicle).

Mid-Size
(Four-door Sedan)

Buick Century
Chevrolet Celebrity
Dodge Dynasty
Eagle Premier
Ford Taurus
Mercury Sable
Oldsmobile Cutlass Ciera
Pontiac 6000
Toyota Camry

Cruise Control

Two-Door Specialty

Buick Regal
Oldsmobile Cutlass Supreme
Chrysler LeBaron Coupe
Ford Thunderbird
Mercury Cougar
Pontiac Grand Prix

Cruise Control, Power Windows, and Tilt Wheel.

Full-Size/Utility
(Four-Door Sedan)

Chevrolet Caprice
Ford LTD Crown Victoria "S"

Cruise Control

Full-Size/Management
(Four-Door Sedan)

Buick LeSabre
Chevrolet Caprice Classic
Chrysler New Yorker
Ford LTD Crown Victoria
Mercury Grand Marquis
Oldsmobile Delta 88
Pontiac Bonneville

Cruise Control, Power Windows, Door Locks and Seats, Tilt Wheel, and Whitewall Tires

Wagon/Subcompact/Compact

Chevrolet Cavalier
Ford Escort

Wagon/Mid-Size

Buick Century
Chevrolet Celebrity
Dodge Caravan
Ford Taurus
Mercury Sable
Oldsmobile Cutlass Ciera
Plymouth Voyager
Pontiac 6000
Toyota Camry

Wagon/Full-Size

Chevrolet Caprice Classic
Ford LTD Crown Victoria
Pontiac Safari

All wagons should be equipped equal to other models in their size category and should be eight-passenger where available.

RECOMMENDATIONS

ASSOCIATES LEASING, INC.

Incorporating market research on the policies and practices of the fleet industry with manufacturers' product planning, Associates Leasing suggests that fleet selection be determined by matching a vehicle to your specific application. Size and dimensions should be looked at carefully, along with an analysis of which engine will provide the best combination of performance and economy. ALI also suggests that your selector lists be based on overall vehicle utility and corporate philosophy of comfort and image.

EXECUTIVE CLASS

Make/Model	Projected Introduction Factory Invoice
Buick Electra Limited	$17,600
Chevrolet Caprice Classic Brougham	$15,430
Chrysler New Yorker	$17,210
Ford LTD Crown Victoria LX	$16,134
Mercury Grand Marquis LS	$16,548
Oldsmobile 98 Regency	$17,114

Equipment: Air Conditioning, AM/FM Stereo w/Cassette, Tinted Glass, Cruise Control, Dual Remote Mirrors, Floor Mats, Body Side Moldings, Power Door Locks, Rear Window Defroster, Steel Belted Radial Whitewall Tires, Wire Wheel Covers, Vinyl Roof, Power Windows, Six-Way Power Seat, Tilt Steering Wheel, and Remote Trunk Release.

Purchase prices are based on estimated 1989 introduction pricing, including optional equipment and freight charges. (Rebate and incentive programs are not considered in pricing.)

Recommended Replacement Cycling: 36 months or 55,000 miles.

Note: The above listing of vehicles is by alphabetical order and should not be construed as a ranking.

FULL-SIZE

Make/Model	Projected Introduction Factory Invoice
Buick LeSabre Custom	$14,029
Chevrolet Caprice Classic	$13,412
Eagle Premier LX	$13,615
Ford Crown Victoria	$14,578
Oldsmobile Delta 88 Royale	$14,060
Pontiac Bonneville LE	$13,693

Equipment: Air Conditioning, AM/FM Stereo, Tinted Glass, Body Side Moldings, Dual Mirrors/Left-Hand Remote, Steel Belted Radial Whitewall Tires, Full Wheel Covers, Floor Mats, Cruise Control, Tilt Steering Wheel, and Rear Window Defroster.

Recommended Replacement Cycling: 36 months or 55,000 miles.

INTERMEDIATE — CLASS I

Make/Model	Projected Introduction Factory Invoice
Buick Century Custom	$12,346
Dodge Dynasty	$11,922
Ford Taurus GL	$12,410
Mercury Sable GS	$13,291
Oldsmobile Cutlass Ciera	$12,183
Pontiac 6000 LE	$12,340

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Tinted Glass, Body Side Moldings, Dual Mirrors/Left-Hand Remote, Rear Window Defroster, Cruise Control, Floor Mats, Power Steering, Power Brakes, Steel Belted Radial Whitewall Tires, Deluxe Wheel Covers, and Tilt Steering Wheel.

Recommended Replacement Cycling: 36 months or 55,000 miles.

INTERMEDIATE — CLASS II

Make/Model	Projected Introduction Factory Invoice
Chevrolet Celebrity	$11,554
Chrysler LeBaron	$11,893
Dodge Lancer	$11,678
Ford Taurus L	$11,834

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Tinted Glass, Body Side Moldings, Power Steering, Power Brakes, Floor Mats, Tilt Steering Wheel, Left-Hand Remote Mirror, Cruise Control, Rear Window Defroster, Deluxe Wheel Covers, and Steel Belted Radial Whitewall Tires.

Recommended Replacement Cycling: 36 months or 55,000 miles.

COMPACT

Make/Model	Projected Introduction Factory Invoice
Buick Skylark Custom	$11,260
Chevrolet Corsica CL	$11,300
Dodge Spirit	$11,100
Ford Tempo GL	$10,362
Mercury Topaz GS	$10,747
Oldsmobile Cutlass Calais	$11,557
Plymouth Acclaim	$11,100
Pontiac Grand Am LE	$11,829

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Floor Mats, Tinted Glass, Body Side Moldings, Dual Mirrors/Left-Hand Remote, Power Steering, Power Brakes, Steel Belted Radial Whitewall Tires, Deluxe Wheel Covers, Rear Window Defroster, Cruise Control, Tilt Steering Wheel.

Recommended Replacement Cycling: 36 months or 55,000 miles.

SUBCOMPACT

Make/Model	Projected Introduction Factory Invoice
Buick Skyhawk	$10,064
Dodge Shadow	$ 9,620
Ford Escort	$ 9,269
Plymouth Sundance	$ 9,712
Pontiac Sunbird	$ 9,630

Equipment: Automatic Transmission, Air Conditioning, AM/FM Stereo, Tinted Glass, Floor Mats, Full Wheel Covers, Left-Hand Remote Mirror, Power Steering, Power Brakes, Steel Belted Radial Whitewall Tires, Body Side Moldings, and Rear Window Defroster.

Recommended Replacement Cycling: 36 months or 45,000 miles

UTILITY CARS

Make/Model	Projected Introduction Factory Invoice
Chevrolet Cavalier	$ 9,412

Dodge Shadow	$ 9,354
Ford Escort	$ 8,828
Ford Tempo GL	$ 9,792

Equipment: Automatic Transmission, Air Conditioning, AM Radio, Floor Mats, Left-Hand Remote Mirror, Power Steering, Power Brakes, Body Side Moldings, and Tinted Glass.

Recommended Replacement Cycling: 48 months or 80,000 miles.

DONLEN

The Donlen Corp. evaluates three primary areas of selection parameters in developing fleet recommendations—acquisition, operating cost, and resale value. In considering these parameters individually and as a whole, Donlen determines which particular models offer the best collection of driver-oriented features per size classification category. Of greatest importance, the lessor says, are initial cost levels and available incentive programs, fuel efficiency and vehicle serviceability, and cycling time frames. Generally, Donlen advocates the selection of the standard engine offering, a four-door sedan configuration (where available), a life cycle no greater than 55,000 miles, and the ordering of options to enhance eventual resale.

Subcompact

Chevrolet Cavalier
Ford Escort
Dodge Shadow
Plymouth Sundance

Compact

Chevrolet Corsica
Dodge Spirit
Ford Tempo
Mercury Topaz
Oldsmobile Cutlass Calais
Plymouth Acclaim
Pontiac Grand Am

Intermediates

Chrysler LeBaron
Dodge Dynasty
Ford Taurus
Mercury Sable
Oldsmobile Cutlass Ciera
Pontiac 6000

Specialty Coupes

Buick Regal
Ford Thunderbird
Mercury Cougar
Oldsmobile Cutlass Supreme
Pontiac Grand Prix

Full-Size

Buick LeSabre
Chevrolet Caprice
Ford Crown Victoria
Oldsmobile Delta 88
Pontiac Bonneville

Luxury

Buick Electra
Chrysler New Yorker
Oldsmobile 98 Regency

GE CAPITAL FLEET SERVICES

GE Capital Fleet Services breaks down vehicle acquisition into two categories. The first is to choose an operating model to define replacement cycling and specifications for application. The second is the actual procurement of vehicles. The process by which a fleet manager orders the company's vehicles, either through selector forms, spec ordering, or personal computer, "is as important as where and how they are delivered," the lessor says. This year GE Capital Fleet Services' recommendations include acquisition costs (which do not reflect the additional cost of freight, taxes, title costs, or manufacturers' fleet incentive programs) and estimated city and highway mpg. Each selector group also includes a list of recommended options.

LUXURY

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Electra Park Avenue	$16,859	19/29
Cadillac Brougham	$22,118	17/24
Cadillac DeVille	$21,177	17/24
Chrysler New Yorker Landau	$18,316	19/26
Lincoln Continental	$23,591	17/24
Olds 98 Regency Brougham	$17,666	18/25
Olds Toronado Brougham	$18,906	19/28

Recommended Equipment: Eight-cylinder Engine (Where Available), Automatic Transmission, Power Steering, Power Brakes, Dual Remote Mirrors, AM/FM Stereo Radio With Cassette, Automatic Air Conditioning, Tinted Glass Windows, Power Door Locks, Power Windows, Power Seats, Power Trunk Release, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, White Sidewall Tires, Body Side Moldings, Front and Rear Carpeted Mats.

FULL-SIZE

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick LeSabre Custom	$14,431	19/29
Chevrolet Caprice Classic	$13,837	19/27
Eagle Premier	$11,901	22/31
Ford Crown Victoria	$15,251	17/24
Mercury Grand Marquis	$15,667	16/23
Olds Delta 88 Royale	$14,436	19/29
Pontiac Bonneville	$14,131	19/29

Recommended Equipment: Six- or Eight-cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass Windows, Power Door Locks, Power Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, Front and Rear Mats, White Sidewall Tires, and Body Side Moldings.

SPECIALTY

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Regal	$13,086	20/29
Chevrolet Beretta	$12,244	20/26
Chrysler LeBaron Coupe	$12,457	23/28
Dodge Daytona	$10,150	23/28

RECOMMENDATIONS

Ford Thunderbird	$13,648	21/27
Mercury Cougar	$14,080	21/27
Oldsmobile Cutlass Supreme	$13,408	20/29
Pontiac Grand Prix	$13,188	20/29

Recommended Equipment: Four- or Six-cylinder Engine, Automatic Transmission, Power Steering, AM/FM Stereo Radio, Sport Mirrors, Air Conditioning, Power Windows, Power Door Locks, Tinted Glass Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, White Sidewall Tires, Front and Rear Mats, and Body Side Moldings.

MID-SIZE

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Century Custom	$12,185	24/31
Chevrolet Celebrity	$11,501	24/31
Chrysler LeBaron	$11,509	23/28
Dodge Dynasty	$11,406	23/28
Dodge Lancer	$11,221	23/28
Ford Taurus	$12,296	21/26
Mercury Sable	$13,912	21/29
Olds Cutlass Ciera LS	$12,134	24/32
Pontiac 6000	$11,662	24/31

Recommended Equipment: Four-cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass Windows, Cruise Control, Tilt Steering Wheel, Electric Rear Window Defroster, Front and Rear Mats, Body Side Moldings, and White Sidewall Tires.

FUNCTIONAL COMPACT

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Buick Skylark Custom	$10,971	23/31
Chevrolet Corsica	$10,649	24/31
Dodge Shadow	$ 9,280	24/29
*Dodge Spirit	$10,724	24/29
Ford Tempo GL	$ 9,454	22/27
Mercury Topaz GS	$10,176	25/29
Oldsmobile Cutlass Calais	$11,231	24/32
*Plymouth Acclaim	$10,724	23/28
Plymouth Sundance	$ 9,280	23/28
Pontiac Grand Am	$10,954	24/34

**New model available, January 1989.*

Recommended Equipment: Four-cylinder Engine, Automatic Transmission, Power Steering, Power Brakes, AM/FM Stereo Radio, Dual Mirrors, Air Conditioning, Tinted Glass Windows, Electric Rear Window Defroster, Front and Rear Mats, and Body Side Moldings.

EFFICIENCY SUBCOMPACT

Make/Model	Acquisition Cost	EPA MPG City/Hwy.
Chevrolet Cavalier	$ 9,759	25/32
Dodge Omni	$ 7,329	25/30
Ford Escort	$ 8,235	24/30
Mercury Tracer	$ 8,896	25/29
Plymouth Horizon	$ 7,329	25/30
Pontiac Sunbird	$ 9,761	26/32

Recommended Equipment: Four-cylinder Engine, Automatic Transmission, Power Steering, AM Stereo Radio, Dual Mirrors, Power Brakes, Air Conditioning, Tinted Glass Windows, Electric Rear Window Defroster, Front and Rear Mats, and Body Side Moldings.

HERTZ/U.S.FLEET LEASING

Controlling costs begins with selecting vehicles for appropriate fleet applications, says Hertz/USFL. Cost and ultimate resale value of each vehicle play supporting roles in vehicle selection. Key recommendations for 1989 are based on projected operating costs and represent what Hertz/USFL suggests are the most cost-efficient mid-size sedans for the recommended 24-month, 50,000-mile lease period. The mid-size models recommended include Ford Taurus L, Dodge Aries America, Plymouth Reliant America, Pontiac 6000 LE, Chevrolet Celebrity, Buick Century Custom, and Oldsmobile Cutlass Ciera SL.

Key 1989 Recommendations

The successful **Ford Taurus** is Hertz/USFL's top-ranked mid-size sedan for the third year in a row. Boasting minor styling changes in grille and tail light features, the Taurus' optional 3.8L V-6 engine has been upgraded with roller tappets for durability and reduced friction, and sequential electronic fuel injection for improved power and economy.

The **Dodge Aries America** and **Plymouth Reliant America**, Chrysler's longtime fleet favorites, continue unchanged for 1989. They feature standard, fuel-injected 2.2L four-cylinder engines and a long list of standard features.

General Motors' popular mid-size sedans include **Chevrolet Celebrity, Buick Century Custom, Pontiac 6000 LE,** and **Oldsmobile Cutlass Ciera SL.** The Century, Cutlass Ciera, and the 6000 LE are all completely restyled for the 1989-model year.

In **other popular sizes,** these are our top-rated coupes and sedans:

Compact Sedans:	**Ford Escort LX**
Specialty Coupes:	**Ford Mustang LX**
Large Sedans:	**Pontiac Bonneville LE**
Personal Luxury Coupes:	**Oldsmobile Toronado**
Luxury Sedans:	**Buick Electra Limited**

LEASE PLAN USA

1989 appears to be a good year for both the fleet operator and the fleet driver, says Lease Plan USA. All-new products and changes in engine offerings combine with carryovers from last year to support Lease Plan's views. On the overall picture, capitalization costs will be higher, the lessor says, particularly among the imports, but more powerful engines will add life to vehicles and increase resale values. Lease Plan recommends the following options be ordered on all vehicles, in order to increase eventual resale value: AM/FM stereo (wherever possible), split-bench seats in front with cloth interior, tilt-wheel, cruise control, automatic transmission, tinted windows, rear window defrosters, intermittent wipers, and floor mats. The lessor also suggests the "Euro" look, with blackwall tires mounted on an

RECOMMENDATIONS

alloy-look wheel cover, body side moldings, and sport mirrors. Recommended replacement cycling is 27-30 months/55,000 miles.

Compact
(Four-cylinder recommended)

Chevrolet Cavalier
Ford Tempo
Mercury Topaz

Mid-Size
(Six-cylinder recommended)

Buick Century
Chevrolet Celebrity
Oldsmobile Cutlass Ciera
Pontiac 6000
Ford Taurus
Mercury Sable
Chrysler LeBaron

Full-Size
(Six-cylinder recommended)

Chevrolet Caprice
Buick LeSabre
Pontiac Bonneville
Chrysler New Yorker
Ford LTD Crown Victoria
Mercury Grand Marquis
Oldsmobile Delta 88

LMV

LMV's 1989-model fleet recommendations are broken into the following vehicle categories: utility; sales-type; load-carrying station wagons; image, and specialty. The lessor's recommendations are based on customer satisfaction and used vehicle marketing success with previous year's models. Because it is difficult to gauge how well they will perform, entirely new models are generally not included on LMV's recommended lists. In addition, certain models that are nearing their last year of production are usually not included, as their subsequent resale value might be affected.

Utility
(Service vehicles intended primarily for one or two passengers and minimal cargo.)

Buick Skylark
Chevrolet Corsica
Dodge Shadow
Ford Escort
Ford Tempo
Mercury Topaz
Plymouth Sundance
Pontiac Grand Am
Toyota Corolla

Sales Type
(Mid-size cars with suitable comfort, styling and cargo capacity for high mileage, used by sales personnel.)

Buick Century
Chevrolet Celebrity
Dodge Dynasty
Ford Taurus
Mercury Sable
Oldsmobile Cutlass Ciera
Pontiac 6000
Toyota Camry

Station Wagon
(Vehicles with large cargo capacity and adequate driver comfort. Six-cylinder engines are recommended.)

Buick Century
Chevrolet Celebrity
Ford Taurus
Oldsmobile Cutlass Ciera
Pontiac 6000

Image
(Suitable for managers, supervisors, and other middle to high-ranking officials.)

Buick LeSabre
Chevrolet Caprice
Chrysler New Yorker
Ford LTD Crown Victoria
Mercury Grand Marquis
Nissan Maxima
Oldsmobile Delta 88
Pontiac Bonneville

Specialty
(Sporty vehicles for image-conscious personnel)

Buick Regal
Chevrolet Beretta
Chrysler LeBaron
Dodge Daytona
Ford Probe
Oldsmobile Cutlass Supreme
Pontiac Grand Prix

Executive
(LMV does not make specific recommendations in this category since executives usually are free to choose any vehicle they want within company cost and performance guidelines.)

McCULLAGH

Even though a trend is appearing in the industry toward larger engines, McCullagh cautions fleet buyers who have converted part of their fleet to four-cylinder engines that it may be wise to stay that way, since the overall energy outlook is always volatile. Option packaging remains a difficult part of vehicle selection, McCullagh says, but a fleet executive should also know that common fleet items usually increase eventual resale value. McCullagh sees 1989 as a quiet year in terms of tax and regulatory issues, as most fleets continue to work through the impact of Tax Reform. McCullagh recommends that vehicle selection be built around the applications your company has planned, then select a variety of vehicles which respond to those plans. This makes it easier to switch directions if need be.

STANDARD VEHICLES

These vehicles typically serve a marketing function (sales/service). Recommended Replacement: 50,000 miles/36 months. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Moldings, Front and Rear Guards, Power Brakes, Power Steering, AM/FM Stereo, Rear Defogger, Speed Control, Steel Belted Radial Tires, Tinted Glass, and Wheel Covers.

Four-Door	Two-Door
Standard — Class 1	
Chevrolet Caprice	
Eagle Premier LX	
Ford LTD Crown Victoria "S"	

RECOMMENDATIONS

Standard — Class 2

Four-Door	Two-Door
Mercury Sable GS	
Ford Taurus GL	
Dodge Dynasty LE	
	Buick Regal
	Ford Thunderbird
	Mercury Cougar
Oldsmobile Cutlass Ciera	Oldsmobile Cutlass Ciera
Buick Century Custom	Buick Century Custom
	Pontiac Grand Prix
	Oldsmobile Cutlass Supreme

Standard — Class 3

Four-Door	Two-Door
Ford Taurus	
Pontiac 6000	Pontiac 6000
Chevrolet Celebrity	Chevrolet Celebrity
Dodge Dynasty	
Chrysler LeBaron GTS	
Dodge Lancer	
Oldsmobile Cutlass Calais	Oldsmobile Cutlass Calais
Buick Skylark	Buick Skylark
Pontiac Grand Am	Pontiac Grand Am
Chrysler LeBaron Coupe	

Standard — Class 4

Four-Door	Two-Door
Chevrolet Beretta	
	Ford Mustang Hatchback
Chevrolet Corsica Hatchback	
Chevrolet Corsica	
Ford Tempo GL	Ford Tempo GL
Mercury Topaz	Mercury Topaz
Dodge Aries	Dodge Aries
Plymouth Reliant	Plymouth Reliant
Buick Skyhawk	Buick Skyhawk
Chevrolet Cavalier	Chevrolet Cavalier
Pontiac Sunbird	Pontiac Sunbird
Dodge Spirit	
Plymouth Acclaim	

Standard — Class 5

Four-Door	Two-Door
Dodge Omni Hatchback	
Dodge Shadow Hatchback	Dodge Shadow Hatchback
Ford Escort Hatchback	Ford Escort Hatchback
Plymouth Horizon Hatchback	
Plymouth Sundance Hatchback	Plymouth Sundance Hatchback

MANAGEMENT VEHICLES

The vehicles in this class are recommended for functions where operating costs are balanced by other, less tangible requirements. Recommended Replacement: 45,000 miles/24 months. Recommended Equipment: Air Conditioning, Automatic Transmission, Body Side Moldings, Front and Rear Guards, Power Brakes, Power Door Locks, Power Steering, Power Windows, Rear Defogger, AM/FM Stereo, Speed Control, Steel Belted Radial Tires, Tilt Wheel, Tinted Glass, and Wheel Covers.

Management — Class 1

Four-Door	Two-Door
Buick LeSabre	Buick LeSabre
Chevrolet Caprice Classic	
Ford LTD Crown Victoria	
Oldsmobile Delta 88	Oldsmobile Delta 88
Pontiac Bonneville	
Chrysler New Yorker	
Eagle Premier ES	

Management — Class 2

Four-Door	Two-Door
Mercury Sable LS	Mercury Sable LS
	Buick Regal Limited
Dodge Dynasty LE	
	Ford Thunderbird
	Mercury Cougar LS
	Pontiac Grand Prix LE
	Chrysler LeBaron Coupe
	Oldsmobile Cutlass Supreme

Management — Class 3

Four-Door	Two-Door
Buick Century Limited	Buick Century Limited
LeBaron GTS Hatchback	
Olds Cutlass Ciera	Olds Cutlass Ciera
Pontiac 6000 LE	Pontiac 6000 LE
Mercury Sable GS	
Dodge Dynasty	

EXECUTIVE VEHICLES

These cars are recommended wherever luxury, comfort, and prestige are the primary considerations. Recommended Replacement: 25,000 miles/24 months. Recommended Equipment: AC, Dual Remote Mirrors, Power Brakes, Power Door Locks, Power Seats, Power Steering, Power Windows, Rear Defogger, Speed Control, Steel Belted Radial Tires, AM/FM Stereo, Tilt Wheel, and Tinted Glass.

Executive — Class 1

Four-Door	Two-Door
Cadillac Seville	
Lincoln Continental	
Cadillac Fleetwood	Cadillac Fleetwood
Cadillac Brougham	

Executive — Class 2

Four-Door	Two-Door
	Cadillac Eldorado
	Continental Mark VII

Executive — Class 3

Four-Door	Two-Door
Cadillac Sedan DeVille	Cadillac Coupe DeVille
Lincoln Town Car	

Executive — Class 4

Four-Door	Two-Door
Buick Electra Limited	
Buick Electra Park Avenue	
Mercury Grand Marquis	
Oldsmobile 98 Regency	
Oldsmobile 98 Regency Brougham	
Chrysler New Yorker/Landau	

Executive — Class 5

Four-Door	Two-Door
	Buick Riviera
	Oldsmobile Toronado

PHH FleetAmerica

PHH FleetAmerica, recognizing that the uncertain economic conditions faced by fleet managers today affect vehicle acquisition, suggests that decisions should be linked to analyses of inflation, interest rates, tax developments, and trends within the automobile and oil industries. The main concerns of fleet management are transportation and energy issues. More specific issues of vehicle selection, such as option packaging and engine selection, should be addressed using feedback voiced by fleet drivers. Inclusive option packages come with lower initial costs, and also support higher resale. Because engine sizing is crucial to vehicle performance, fuel efficiency and operating costs, PHH recommends the use of four-cylinder engines for midsize cars.

Recommended Equipment: AM/FM Stereo With Cassette, Automatic Transmission, Air Conditioning, Body Side Moldings, Cargo Cover (Where Applicable), Cloth Interior, Cruise Control, Dual Remote Mirrors, Front and Rear Floor Mats, Power Brakes and Steering, Tilt Wheel, Tinted Glass, Wheel Covers, and White Side Wall Radial Tires.

Model	Make	Style
Acclaim	Plymouth	Sedan
Aries LE/Reliant LE	Dodge/Plymouth	Sedan
Beretta	Chevrolet	Coupe
Bonneville LE	Pontiac	Sedan
Cutlass Calais	Oldsmobile	Sedan
Camry	Toyota	Sedan
Caprice	Chevrolet	Sedan
Cavalier	Chevrolet	Sedan
Celebrity CL	Chevrolet	Sedan
Century Custom	Buick	Sedan
Corolla Deluxe	Toyota	Sedan
Corsica	Chevrolet	Sedan
Cougar LS	Mercury	Coupe
Cutlass Ciera	Oldsmobile	Sedan
Cutlass Supreme	Oldsmobile	Sedan
Delta 88 Royale	Oldsmobile	Sedan
Dynasty	Dodge	Sedan
Electra	Buick	Sedan
Grand Am LE	Pontiac	Sedan
Grand Marquis GS	Mercury	Sedan
Grand Prix	Pontiac	Coupe
Lancer	Dodge	Hatchback
LeBaron Coupe High	Chrysler	Coupe
LeBaron GTS High	Chrysler	Hatchback
LeSabre Custom	Buick	Sedan
LTD Crown Victoria "S"	Ford	Sedan
New Yorker	Chrysler	Sedan
Ninety Eight	Oldsmobile	Sedan
Premier LX	Eagle	Sedan
Regal Custom	Buick	Coupe
Sable GS	Mercury	Sedan
Shadow	Dodge	Hatchback
6000 LE	Pontiac	Sedan
Skylark Custom	Buick	Sedan
Spirit	Dodge	Sedan
Sunbird LE	Pontiac	Sedan
Sundance	Plymouth	Hatchback
Taurus L	Ford	Sedan
Tempo GL	Ford	Sedan
Thunderbird	Ford	Coupe
Topaz GS	Mercury	Sedan
Aerostar	Ford	Van
Astro CS	Chevrolet	Van
Caravan/Voyager	Dodge/Plymouth	Van
Celebrity CL	Chevrolet	Wagon
6000	Pontiac	Wagon
Taurus L	Ford	Wagon

WHEELS

Formulating a vehicle selector consists of two distinctive steps, says Wheels. The first is constructing a selector shell, which contains categories of vehicle use and the minimum requirements for *any vehicle* to qualify for inclusion in that category. The second step is to review alternate vehicles and base selection on application. Wheels has developed five use categories, each containing a *benchmark* vehicle and a list of alternate vehicles. Wheels points out that all the vehicles shown in all five categories would not be included in any one fleet selector. Each category contains estimated initial costs (estimated 1989 dealer invoice price, including base price, freight, and accessories shown under basic equipment) and monthly operating costs (initial cost, estimated resale, investment cost, and fuel, at $1.00 per gallon) in the table below. Monthly costs are based on an operating cycle of 30 months and 55,000 miles.

CATEGORY 1
Special fleet for low annual mileage/urban applications. Priority on low cost.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Escort LX ($8,663)	$301
Dodge Omni ($7,567)	$279
Plymouth Horizon ($7,567)	$279
Chevrolet Nova ($9,730)	$299
Ford Mustang LX* ($9,737)	$301
Dodge Shadow ($9,362)	$304
Plymouth Sundance ($9,362)	$304
Mercury Tracer ($9,359)	$307

Basic Equipment: Four-cylinder Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Full Wheel Covers, Left-Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, and Whitewall Tires.

Optional Equipment: Rear Defroster, Tilt Wheel.

**Available as a two-door only.*

Note: Benchmark vehicle in italics.

RECOMMENDATIONS

CATEGORY 2

Basic fleet standard applications. Priority on low cost.

Model (Initial Cost)	Estimated Monthly Operating Cost
*Pontiac Grand Am LE** ($10,753)	$328
Chevrolet Cavalier ($9,574)	$314
Pontiac Sunbird LE* ($9,578)	$315
Dodge Aries ($8,816)	$316
Plymouth Reliant ($8,816)	$316
Buick Skyhawk ($9,812)	$320
Chevrolet Corsica ($10,474)	$332
Ford Tempo GL ($9775)	$333
Upgrades	
Buick Skylark Custom ($10,770)	$329
Oldsmobile Cutlass Calais ($11,028)	$334
Dodge Spirit Highline** ($10,300)	$340
Plymouth Acclaim Highline** ($10,300)	$340
Mercury Topaz GS ($10,249)	$345
Ford Tempo LX ($10,530)	$351

Basic Equipment: Four-cylinder Engine, Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Full Wheel Covers, Left-Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, and Whitewall Tires.

Optional Equipment: Cruise Control, Power Door Locks, Rear Defroster, Tilt Wheel.

**Base model in 1989 will carry the LE designation with upscale trim.*
***Will be introduced in early calendar 1989 as 1989 models.*

CATEGORY 3

Basic fleet for standard applications. Priority on reasonable cost and driver acceptance.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Taurus L ($11,425)	$359
Chevrolet Celebrity ($11,082)	$353
Pontiac 6000 LE* (11,292)	$354
Dodge Lancer Highline ($11,364)	$358
Dodge Dynasty Highline ($11,616)	$361
Upgrades	
Oldsmobile Cutlass Ciera ($11,702)	$363
Buick Century Custom ($11,765)	$364
Mercury Sable GS ($12,855)	$398

Basic Equipment: Four-cylinder Engine (or six-cylinder if base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Full Wheel Covers, Left-Hand Remote Mirror, Power Brakes, Power Steering, Tinted Glass, and Whitewall Tires.

Optional Equipment: Cruise Control, Dual Remote Mirrors, Light Group, Power Door Locks, Power Driver's Seat, Power Windows, Rear Defroster, Split Front Seat, and Tilt Wheel.

**Base model in 1989 will carry the LE designation with upscale trim.*

CATEGORY 4

Basic fleet for standard applications. Priority on driver acceptance and image.

Model (Initial Cost)	Estimated Monthly Operating Cost
Ford Taurus GL ($12,930)	$396
Pontiac Grand Prix* ($13,131)	$391
Buick Regal Custom ($12,914)	$396
Oldsmobile Cutlass Supreme* ($13,131)	$397
Mercury Sable GS ($13,323)	$390
Chevrolet Caprice Classic ($13,026)	$404
Ford Thunderbird* ($13,022)	$406
Dodge Dynasty LE ($12,974)	$409
Upgrades	
Mercury Cougar LS* ($13,699)	$417
Pontiac Bonneville ($13,890)	$422
Mercury Sable LS ($14,156)	$424
Oldsmobile Delta 88 Royale ($14,040)	$426
Ford Taurus LX ($14,323)	$427
Buick LeSabre Custom ($14,173)	$429
Ford LTD Crown Victoria ($14,622)	$429

Basic Equipment: Six-cylinder Engine (or eight-cylinder if base), Air Conditioning, AM/FM Stereo, Automatic Transmission, Body Side Moldings, Cruise Control, Full Wheel Covers, Left-Hand Remote Mirror, Light Group, Power Brakes, Power Steering, Rear Defroster, Tinted Glass, and Whitewall Tires.

Optional Equipment: Eight-cylinder Engine and Overdrive Transmission (Standard on LTD Crown Victoria), Dual Remote Mirrors, Heavy-Duty Suspension, Tilt Wheel**, Premium Wheel Covers, Split Front Seat, Power Door Locks**, Power Driver's Seat**, Power Windows, and Cassette Tape.

**Available as a two-door only.*
***Recommended on upgrade models*

CATEGORY 5

Special fleet for executive applications. Priority on driver image and prestige.

Model (Initial Cost)	Estimated Monthly Operating Cost
Buick Electra Park Avenue ($18,765)	$522
Oldsmobile Delta 88 Royale Brougham ($16,145)	$474
Mercury Grand Marquis LS ($16,753)	$480
Buick LeSabre Limited ($16,475)	$481
Oldsmobile 98 Regency Brougham ($18,725)	$522
Chrysler New Yorker Landau ($19,636)	$550
Upgrades	
Oldsmobile Toronado* ($19,536)	$540
Buick Riviera* ($20,593)	$551
Lincoln Town Car ($22,730)	$605
Cadillac DeVille ($22,963)	$613
Cadillac Eldorado* ($23,705)	$629
Cadillac Brougham ($23,528)	$636
Lincoln Mark VII* ($24,498)	$643
Lincoln Continental ($24,961)	$653
Cadillac Seville ($26,155)	$684
Cadillac Fleetwood ($26,511)	$692

Basic Equipment: Six-cylinder Engine (or eight-cylinder if base), Air Conditioning, AM/FM Stereo/Tape, Automatic Transmission, Body Side Moldings, Bumper Guards, Cruise Control, Dual Remote Mirrors, Light and Accessory Groups, Power Antenna, Power Brakes, Power Steering, Power Door Locks, Power Trunk, Power Windows, Dual Power Seats, Premium Wheel Covers, Rear Defroster, Split Front Seat, Tilt Wheel, Tinted Glass, and Whitewall Tires.

**Available as a two-door only.*

A new survey says insurance companies, in all but six states, are now offering their clients discounts on premiums for automobiles equipped with factory-installed air bags and automatic safety belt restraints.

Insurance Discounts for Automatic Restraints

Most insurers provide discounts for automobiles equipped with factory-installed automatic restraints, states a *Status Report* survey from the Insurance Institute of Highway Safety. The discounts apply to premiums for medical payments for occupants of the insured automobile or, in states with no-fault insurance, the discount applies to personal injury protection for the occupants of the insured vehicle.

The dollar amount saved from these discounts varies from state to state. Some states set their own discount policies for automatic restraints. Although the company discount policies listed here have been filed nationally or in the states where the companies do business, not every state insurance department has adopted them. The Insurance Services Office, which provides advisory rating information to insurers, filed its amended discount nationally in November 1986. The only states that do not accept the discounts are Hawaii, Massachusetts, North Carolina, Texas, Illinois, and Kentucky, says a representative for the Insurance Services Office. The National Highway Traffic Safety Administration says that by September 1989, all 1990-model passenger cars will be equipped with automatic restraints.

(Continued on page 54.)

Leading Auto Insurance Companies With Discount Policies

	AIR BAGS		
Company	Driver	Full Front	Automatic Belts
Insurance Services Office recommendation	*20%*	*30%*	*30%*
Allstate	20	30	0
Nationwide	25	40	10
Liberty Mutual	20	30	30
Aetna Casualty	20	30	30
U.S.F.&G.	30	30	30
USAA	20	30	30
The Travelers	15	30	30
GEICO	30	30	30
American Family Mutual	30	30	30
Hartford Fire	20	30	30
Continental Casualty	30	30	30
Prudential P&C	20	30	0
Maryland Casualty	20	30	30
Erie Exchange	30	30	30
Hartford A&I	20	30	30

Automatic Restraint Availability—1988-Model Year

	Air Bags		Automatic Belts	
Manufacturer & Model	Driver	Passenger	Motorized	Non-motorized
ALFA ROMEO				
Spyder			Standard	
AUDI (see Volkswagen)				
AUSTIN ROVER				
Sterling			Option	
BMW				
6 series	Standard			
7 series	Standard			
CHRYSLER				
Conquest			Standard	
Dodge Daytona	Standard			Standard
Dodge Diplomat	Standard			
Fifth Avenue	Standard			
LeBaron Coupe	Standard			Standard
Plymouth Gran Fury	Standard			
Dodge Shadow			Standard	
Plymouth Sundance			Standard	
FORD				
Escort			Standard	
Mercury Topaz	Option		Standard	
Tempo	Option		Standard	
GENERAL MOTORS				
Buick LeSabre				Standard
Buick Regal (front-wheel drive)				Standard
Buick Skylark				Standard
Chevrolet Beretta				Standard
Chevrolet Corsica				Standard
Oldsmobile Calais				Standard
Oldsmobile Cutlass Supreme (front-wheel drive)				Standard
Oldsmobile Delta 88	Option			Standard
Pontiac Bonneville				Standard
Pontiac Grand Am				Standard
Pontiac Grand Prix (front-wheel drive)				Standard
HONDA/ACURA				
Acura Legend LS	Standard			
Honda Accord two-dr.				Standard
Honda Prelude				Standard
HYUNDAI				
Excel GL, GLS four-dr. hatchback				Option
ISUZU				
Impulse			Standard	
JAGUAR				
XJ-S			Standard	
XJ-SC			Standard	
MAZDA				
626 LX four-dr.[1]			Standard	
MERCEDES-BENZ				
(All Models)	Standard			
MITSUBISHI				
Precis				Option
Starion			Standard	
NISSAN				
Maxima			Standard	
PEUGEOT				
505 four-dr. four-cyl. non-turbos				Standard
PORSCHE				
944 Turbo	Standard	Standard		
944S	Standard	Standard		
944	Option	Standard with driver bag		
SAAB				
900S hatchback			Standard	
All other 900 series hatchbacks			Standard	
9000 (version unspecified)	Option			
SUBARU				
XT Coupe			Standard	
Selected two-wheel-drive Four-dr. and wagons			Standard	
TOYOTA				
Camry			Standard	
Cressida			Standard	
VOLKSWAGEN/AUDI				
VW Golf				Option
VW Jetta				Option
VOLVO				
780	Standard			
760 series	Standard			
740 Turbo	Standard			
740 GLE	Option			
YUGO				
GVLS				Standard
GVL				Option
GVX				Option

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[1] Additional versions of the 626 are likely to have automatic belts because the model cited is not produced in sufficient quantity to meet the requirement that 25 percent of all 1988 models be equipped with automatic restraints under FMVSS 208.

SOURCE: IIHS Status Report

Midyear Fleet Registrations

'87 vs. '88 Model Year: The First Six Months

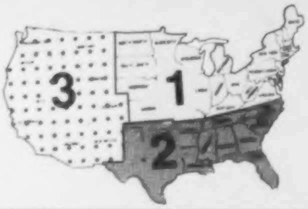
MODEL	1987 Model Year Total	1987 1st 6 Mos MYTD	1988 1st 6 Mos MYTD
SUBCOMPACT			
Alliance	3,883	4,092*	0
Cavalier	52,518	30,560	42,139
Charger	157	122	10
Chevette	6,041	5,570	138
Colt	5,750	1,764	752
Escort/Festiva	50,055	29,910	29,336
Fiero	3,571	2,485	509
Firenza	4,163	2,405	2,632
Horizon	3,855	3,362	3,340
LeMans	5,950	0	3,316
Lynx/Capri	6,275	4,627	0
Mustang	18,798	9,908	11,813
Nova	49,436	3,818	3,493
Omni	4,248	3,793	2,962
Skyhawk	3,795	2,366	2,028
Spectrum	21,904	24,434	3,323
Sprint	2,421	5,126	8,157
Sunbird	12,941	8,766	7,747
Tracer	5,416	0	6,599
Turismo	263	173	26
1000	880	682	19
Total Subcompact	**262,320**	**143,963**	**128,339**
COMPACT			
Aries	44,161	24,314	23,051
Beretta	17,930	5,559	12,313
Calais	12,604	8,165	6,741
Camaro	8,394	5,680	2,770
Conquest/Vista	1,247	959	147
Corsica	22,294	5,682	20,197
Daytona	651	320	1,524
Eagle	398	209	150
Firebird	6,743	4,609	2,025
Grand Am	54,268	39,517	29,953
Lancer	7,002	4,582	724
LeBaron GTS	8,323	4,652	1,509
Laser	31	25	0
Reliant	39,190	20,884	24,759
Shadow	10,817	6,985	16,631
Somerset Regal/Skylark	10,128	6,429	3,107
Sundance	10,068	5,934	13,226
Tempo	66,813	41,518	50,374
Topaz	25,229	14,043	12,444
Total Compact	**346,291**	**200,066**	**221,645**

*Includes Encore fleet registrations

MODEL	1987 Model Year Total	1987 1st 6 Mos MYTD	1988 1st 6 Mos MYTD
INTERMEDIATE			
600	17,353	9,803	8,219
6000	51,989	32,500	20,563
Bonneville	13,389	6,973	16,969
Caravelle	19,100	10,087	7,540
Celebrity	118,383	74,235	44,237
Century	36,279	24,190	15,316
Cougar	17,065	7,735	11,000
Cutlass Ciera	65,916	44,247	26,240
Cutlass Supreme	20,937	10,036	4,604
Dynasty	14	0	9,539
Grand Prix	1,219	944	5,102
LeBaron	9,733	5,729	5,709
LeBaron Coupe/ Convertible	6,723	3,031	8,803
Monte Carlo	4,362	2,733	1,216
New Yorker (E-body)	9,750	1,658	162
New Yorker (C-body)	0	0	1,206
Premier	0	0	268
Regal	7,418	2,404	11,218
Sable	25,734	12,033	18,530
Taurus	120,653	67,175	75,682
Thunderbird	27,817	13,973	19,482
Total Intermediate	**573,834**	**329,486**	**311,605**
STANDARD			
Caprice	48,121	21,718	26,365
Crown Victoria	45,402	17,062	18,104
Delta 88	20,320	12,979	16,336
Diplomat	6,140	3,522	3,816
Fifth Avenue	5,395	3,903	14,385
Gran Fury	3,657	1,624	2,543
Grand Marquis	20,907	6,564	7,056
LeSabre	16,519	10,954	16,457
Parisienne	1,051	686	354
Total Standard	**167,512**	**79,012**	**105,416**
LUXURY			
Allante	161	14	544
98 Regency	9,927	6,089	6,494
Cimarron	811	509	191
Continental	2,079	1,259	3,481
Corvette	3,555	1,765	1,628
DeVille/ Fleetwood(FWD)	29,950	15,585	19,497
Eldorado	3,034	1,753	1,222
Electra	14,205	9,843	11,078
Fleetwood Brougham	7,167	5,013	7,195
Mark VII	3,842	1,730	2,060
New Yorker Landau	25	0	1,410
Riviera	6,826	5,993	1,552
Scorpio	1,498	0	482
Seville	8,442	5,728	5,053
Town Car	44,842	26,041	28,236
XR4Ti	487	49	80
Toronado	3,975	2,626	1,116
Total Luxury	**140,826**	**83,997**	**91,369**
Total Domestic	**1,490,783**	**836,524**	**858,374**

USED CARS

The following are average used-car prices for the period ending June 22, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone 3
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3483	3518	3415
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2657	2683	2604
86 AMC ENCORE			
Sdn 5-Dr S Series	3411	3445	3342
85 AMC ENCORE			
Sdn 5-Dr S Series	2647	2673	2594
86 BUICK SKYHAWK			
Cust Coupe	4908	4957	4810
Cust Sdn	4984	5034	4884
86 BUICK CENTURY			
Cust Sdn	6284	6347	6159
85 BUICK CENTURY			
Cust Sdn	5089	5139	4987
86 BUICK SKYLARK			
Cust Sdn	6282	6345	6157
85 BUICK SKYLARK			
Cust Sdn	3862	3900	3784
86 BUICK SOMERSET REGAL			
Coupe	6339	6403	6213
86 BUICK RIVIERA			
Coupe	10,166	10,267	9,963
85 BUICK RIVIERA			
Coupe	8388	8471	8219
86 BUICK LE SABRE			
Cust Sdn	7820	7898	7663
85 BUICK LE SABRE			
Cust Sdn	6282	6345	6156
86 CADILLAC DE VILLE			
Cpe	11,895	12,015	11,657
Sdn	12,050	12,170	11,809
85 CADILLAC DE VILLE			
Cpe	9154	9245	8971
Sdn	9154	9245	8971
86 CADILLAC SEVILLE			
Sdn	14,855	15,005	14,559
85 CADILLAC SEVILLE			
Sdn	12,518	12,642	12,267
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3133	3164	3071
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2512	2537	2463
86 CHEVY CAMARO			
Cpe	6774	6841	6638
85 CHEVY CAMARO			
Cpe	5636	5692	5522
86 CHEVY CAVALIER			
Sdn	4522	4568	4433
85 CHEVY CAVALIER			
Sdn	3628	3665	3555
86 CHEVY CELEBRITY			
Sdn	5794	5852	5678
85 CHEVY CELEBRITY			
Sdn	4487	4533	4398
86 CHEVY CAPRICE			
Sdn	6339	6403	6212
85 CHEVY CAPRICE			
Sdn	5949	6009	5830
86 CHRYSLER LE BARON			
Cpe	5797	5855	5681
Sdn	5856	5914	5739
85 CHRYSLER LE BARON			
Cpe	4662	4709	4569
Sdn	4692	4739	4599
86 CHRYSLER FIFTH AVENUE			
Sdn	8898	8988	8721
85 CHRYSLER FIFTH AVENUE			
Sdn	7254	7326	7108
86 DODGE OMNI			
Htchbk 4 Dr	3582	3618	3510
85 DODGE OMNI			
Htchbk 4 Dr	2811	2837	2754
86 DODGE ARIES			
Sdn	4475	4519	4386
85 DODGE ARIES			
Sdn	3361	3395	3293
86 DODGE DIPLOMAT			
Sln Sdn	5158	5210	5055
85 DODGE DIPLOMAT			
Sln Sdn	3991	4031	3911
86 DODGE LANCER			
Sdn	5721	5779	5607
86 DODGE 600			
Sdn	5548	5604	5438
85 DODGE 600			
Sdn	4193	4235	4108
86 FORD ESCORT			
Htchbk 4 Dr L Series	3776	3814	3700
85 FORD ESCORT			
Htchbk 4 Dr L Series	2974	3004	2914
86 FORD MUSTANG			
LX-4 Cpe	5434	5488	5325
85 FORD MUSTANG			
LX-4 Cpe	4453	4497	4364
86 FORD TAURUS			
GL Sdn 4 Dr	7298	7371	7152
86 FORD TEMPO			
GL Sdn 4 Dr	4738	4786	4644
85 FORD TEMPO			
GL Sdn 4 Dr	3672	3709	3599
86 FORD LTD			
Sdn	4831	4878	4733
85 FORD LTD			
Sdn	3790	3827	3714
86 FORD CROWN VIC			
Sdn	8453	8537	8283
85 FORD CROWN VIC			
Sdn	6877	6946	6740
86 FORD THUNDERBIRD			
Cpe	7208	7280	7064
85 FORD THUNDERBIRD			
Cpe	5936	5996	5818
86 LINCOLN CONTINENTAL			
Sdn	14,007	14,147	13,726
Town Car Sdn	12,791	12,919	12,536
Mark VII Cpe	13,697	13,833	13,423
85 LINCOLN CONTINENTAL			
Sdn	11,373	11,486	11,145
Town Car Sdn	10,321	10,424	10,114
Mark VII Cpe	11,195	11,307	10,971
86 MERCURY LYNX			
L Htchbk 4 Dr	3815	3852	3738
85 MERCURY LYNX			
L Htchbk 4 Dr	3002	3032	2942
86 MERCURY COUGAR			
Cpe LS	8021	8101	7860
85 MERCURY COUGAR			
Cpe LS	6570	6636	6439
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4909	4958	4811
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3813	3850	3737
86 MERCURY MARQUIS			
Sdn	4921	4971	4824
85 MERCURY MARQUIS			
Sdn	3839	3878	3763
86 MERCURY GRAND MARQUIS			
Sdn	9006	9096	8826
85 MERCURY GRAND MARQUIS			
Sdn	7348	7422	7201
86 OLDS FIRENZA			
Sdn	4984	5034	4884
85 OLDS FIRENZA			
Sdn	3932	3971	3853
86 OLDS CIERA			
L Coupe	6215	6276	6090
L Sdn	6292	6355	6167
85 OLDS CIERA			
LS Cpe	5021	5072	4920
LS Sdn	5084	5134	4983
86 OLDS CALAIS			
Sdn	6306	6370	6181
86 OLDS CUTLASS SUPREME			
Cpe	6938	7008	6800
Sdn	6760	6828	6625
85 OLDS CUTLASS SUPREME			
Coupe	5719	5777	5604
Sdn	5576	5632	5466
86 OLDS 98			
Rgcy Sdn	9328	9422	9141
85 OLDS 98			
Rgcy Sdn	7614	7690	7462
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3560	3616	3508
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2807	2833	2751
86 PLYMOUTH RELIANT			
Sdn	4457	4500	4367
85 PLYMOUTH RELIANT			
Sdn	3362	3396	3294
86 PLYMOUTH CARAVELLE			
SE Sdn	5563	5619	5452
86 PLYMOUTH GRAN FURY			
Salon Sdn	5192	5244	5088
85 PLYMOUTH GRAN FURY			
Salon Sdn	4136	4178	4054
86 PONTIAC T-1000			
Sdn	3164	3196	3100
85 PONTIAC T-1000			
Sdn	2566	2592	2515
86 PONTIAC SUNBIRD			
Sdn	4880	4929	4783
85 PONTIAC SUNBIRD			
Sdn	3847	3886	3771
86 PONTIAC 6000			
Sdn	6030	6091	5910
85 PONTIAC 6000			
Sdn	4654	4701	4562
86 PONTIAC GRAND AM			
Sdn	6555	6621	6425
86 PONTIAC FIREBIRD			
Cpe	6857	6926	6720
85 PONTIAC FIREBIRD			
Cpe	5700	5757	5586
86 PONTIAC BONNEVILLE			
Sdn	6461	6525	6331
85 PONTIAC BONNEVILLE			
Sdn	4977	5027	4876
86 PONTIAC GRAND PRIX			
Cpe	6888	6957	6751
85 PONTIAC GRAND PRIX			
Cpe	5720	5777	5605
86 PONTIAC PARISIENNE			
Sdn	7803	7880	7646
85 PONTIAC PARISIENNE			
Sdn	6181	6242	6057
86 NISSAN SENTRA			
Std Sdn 2 Dr	3802	3841	3726
86 NISSAN STANZA			
GL Ntch 4 Dr	6238	6300	6113
86 NISSAN MAXIMA			
SE Sdn	9413	9507	9225
85 NISSAN SENTRA			
Std Sdn 2 Dr	2997	3027	2939
85 NISSAN STANZA			
XE Htchbk 4 Dr	4465	4509	4376
85 NISSAN MAXIMA			
SE Sdn	7725	7804	7570
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5473	5528	5363
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7363	7436	7215
86 TOYOTA CRESSIDA			
Lux Sdn	10,908	11,016	10,690
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4611	4657	4518
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	5986	6046	5867
85 TOYOTA CRESSIDA			
Sdn	8544	8629	8372
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6572	6638	6442
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5452	5507	5343

CALENDAR

AUGUST

7-10—NAFA Law Enforcement Conference, Red Lion Inn, Sacramento, CA. Information: (201) 494-8100.

15-19—National Odometer Enforcement Association's Annual Conference on Odometer Tampering and Related Crimes, Tremont Plaza Hotel, Baltimore, MD. Information: (301) 768-7371.

SEPTEMBER

8-11—Association For Commuter Transportation's (ACT) Annual Conference, Peabody Hotel, Memphis, TN. Information: (202) 659-0602.

13-18—Automechanika '88, Messe Frankfurt, Frankfurt, West Germany. Information: 069-7575-6320.

18-19—American Automotive Leasing Association's 1988 Midyear Meeting, The Westin Hotel Downtown, Chicago, IL. Information: (202) 223-2600.

22-24—Automotive Fleet & Leasing Association's 1988 Midyear Conference, Harbor Beach Marriott, Ft. Lauderdale, FL. Information: (213) 376-8788.

24-29—The American Public Works Association's 1988 International Public Works Congress and Equipment Show, Metro Toronto Convention Centre, Toronto, Ontario, Canada. Information: (312) 667-2200.

OCTOBER

16-20—76th National Safety Council Congress & Exposition, Orange County Convention/Civic Center, Orlando, FL. Information (312) 527-4800.

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GAS PRICES

	UNLEADED Cost Per Gallon Unleaded	
City	**Full-Serve**	**Self-Serve**
Mobile, AL	124.7	91.7
Little Rock, AR	122.5	91.9
Oakland, CA	143.7	100.6
Colorado Springs, CO	137.2	96.4
Washington, DC	136.3	99.3
Augusta, GA	123.4	86.3
Honolulu, HI	175.0	122.0
Hutchinson, KS	117.9	81.2
Boston, MA	110.2	97.9
Minneapolis, MN	139.5	102.9
Santa Fe, NM	124.9	102.9
New York City, NY	112.4	89.9
Portland, OR	104.9	104.9
Houston, TX	126.4	86.6
Milwaukee, WI	119.2	94.8

Survey conducted during the first five working days of July 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

'89 PULL-OUT CALENDAR

a bobit publication

september 198

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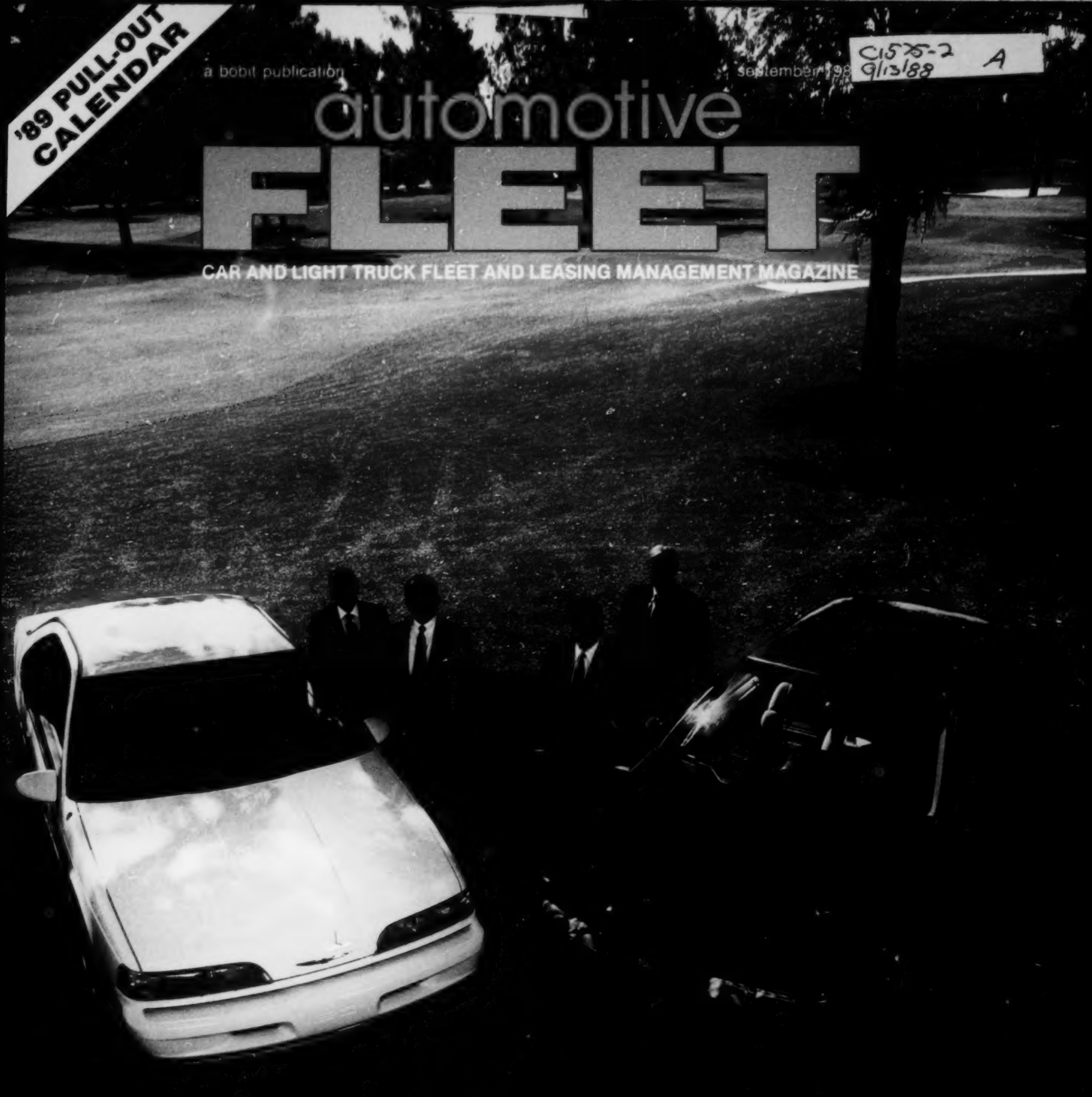
9/13/88

automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



1989 Ford Thunderbird
and Mercury Cougar

Ford on USFL's Future
Selector List Survey
Pickup Service Bodies
Acquisition Trends
Fleet Fuel Cards

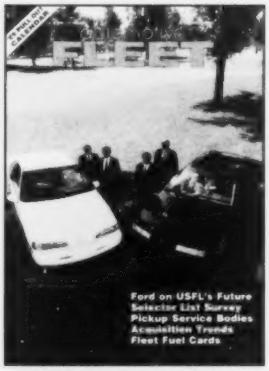
automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

SEPTEMBER 1988
VOL. 27, NO. 11
Influencing the management of 4,720,000 cars and 2,000,000 light trucks and vans in business, leasing, rental, utility, government, police and taxi fleets.

p. 20

p. 56



On the cover: On the left is the all-new 1989 Ford Thunderbird with Ford Division's General Fleet Sales Manager Bill Willis in the foreground. Behind Willis is Lou Polsinelli, Ford Division's fleet sales manager. Standing in the foreground next to the all-new 1989 Mercury Cougar is Don Langefeld, Lincoln-Mercury's leasing and fleet sales manager. Behind Langefeld is John Treter, L-M's major leasing & fleet accounts manager.

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AF *recently surveyed the top 100 commercial fleets and the top 10 utility fleets to see if selector lists play a role in their fleet administration policies. Here are the results, based on the tabulated responses of 62 fleet managers.*

Selector Lists: Which Models are Fleets Offering?

Today's economy demands a tight fist when allocating funds and companies face the issue of controlling costs on a daily basis. Acquiring fleet vehicles can be quite costly, but doing so in an efficient manner can help a fleet manager reduce costs significantly.

Developing a selector list with a choice of vehicles for drivers to choose is an effective way to build a quality fleet, one that will be reliable, cost-effective, and an asset to the company's image.

An effective selector list should be developed to include vehicles that combine several standard factors. Initial cost, operating costs, ultimate resale value, and serviceability represent basic ingredients in developing an effective selector. An additional factor—prestige—also may be a factor for a fleet supplying cars to executives.

1988 Fleet Selector Survey

In a recent survey of *Automotive Fleet*'s 1988 Top 100 commercial fleets and Top 10 utility fleets, fleet managers were asked if they included a selector list as part of their fleet administration policy. Out of 110 questionnaires sent out, 62 were returned. Of that, 59 indicated they used a selector list.

Fleet managers were also asked to list the makes and models listed on their individual selectors, categorized by size (luxury, standard, mid-size, and compact/subcompact). Additionally, they were asked to identify the makes as they were offered to different groups of employees (executive, middle management, and sales or technical).

It should be noted that the size classifications given car models today vary depending on individual perceptions. For instance, the

Are Fleets Offering Luxury Cars?

Luxury cars on selector lists

Oldsmobile Ninety Eight	11
Buick Electra/Park Avenue	10
Lincoln Town Car	10
Chrysler New Yorker	8
Chevrolet Caprice Classic	7
Buick Century	6
Chrysler Fifth Avenue	6
Mercury Grand Marquis	6
Mercury Sable	6
Oldsmobile Cutlass Ciera	6
Ford Crown Victoria	5
Oldsmobile Delta 88	5
Chrysler LeBaron	4
Dodge Dynasty	4
Buick LeSabre	3
Cadillac Brougham	3
Cadillac Seville	3
Pontiac 6000	3
Ford Taurus	2
Pontiac Bonneville	2
Dodge 600	1
Jaguar	1
Lincoln Mark VII	1
Mercedes-Benz 560 SEL	1
Mercury Marquis LS	1

No executive selector list	20
Executives can pick any car on selector list	5
Unlimited choice within price limits	5
Unlimited choice	1

AF's 1988 Selector List Survey

Compact/subcompact cars on selector lists

Ford Tempo	17
Chevrolet Cavalier	12
Mercury Topaz	11
Chevrolet Corsica	10
Ford Escort	7
Plymouth Reliant	7
Pontiac Grand Am	5
Plymouth Sundance	4
Dodge Aries	3
Pontiac Sunbird	3
Buick Skylark	2
Dodge Omni	2
Dodge Shadow	2
Chrysler LeBaron	1
Ford Mustang	1
Mercury Tracer	1
Oldsmobile Firenza	1
Plymouth Horizon	1
Toyota Camry	1
Toyota Corolla	1
Volkswagen Jetta	1

Mid-size cars on selector lists

Ford Taurus	29
Chevrolet Celebrity	20
Pontiac 6000	20
Buick Century	15
Oldsmobile Cutlass Ciera	14
Chrysler LeBaron	11
Mercury Sable	11
Dodge Dynasty	9
Plymouth Caravelle	8
Dodge 600	7
Oldsmobile Cutlass Calais	3
Buick Skylark	2
Chevrolet Caprice Classic	2
Mercury Cougar	2
Buick Regal	1
Dodge Aries K	1
Dodge Lancer	1
Ford Tempo	1
Mazda 626	1
Pontiac Grand Am	1

Standard-size cars on selector lists

Chevrolet Caprice Classic	16
Buick LeSabre	13
Oldsmobile Delta 88	13
Dodge Dynasty	12
Ford Taurus	11
Ford Crown Victoria	10
Pontiac Bonneville	10
Pontiac 6000	10
Buick Century	9
Mercury Sable	9
Oldsmobile Cutlass Ciera	9
Chevrolet Celebrity	8
Chrysler New Yorker	4
Plymouth Caravelle	3
Chrysler LeBaron	3
Chrysler Fifth Avenue	2
Mercury Grand Marquis	2
Ford Thunderbird	2
Plymouth Reliant	2
Dodge 600	1
Buick Skylark	1
Oldsmobile Cutlass-Calais	1
Chrysler Park Avenue	1
Plymouth Sundance	1
Dodge Shadow	1

Footnote: A number of models appear in more than one size category due to the varying definitions of size range.

Crown Victoria, which Ford considers a full-size model, was listed as a standard-size offering on 10 of the responses to the survey and as a luxury offering on five responses. Other examples include the Ford Taurus, a mid-size car which appears on respondents' selector lists as a luxury car and a standard size car as well as mid-size. So, individual fleet managers tend to classify certain models in accordance with their own size-range definitions. This is why a number of models appear in more than one size category on the chart on this page.

According to survey results, Chevrolet's Caprice Classic was the most often mentioned standard-size car on a selector list, appearing on 16 responses. The Caprice Classic also appeared on seven responses as a luxury car choice, and twice as a mid-size model.

In the mid-size category, the Ford Taurus appeared on 29 survey responses. It also appeared as a luxury model twice, and as a standard size choice 11 times.

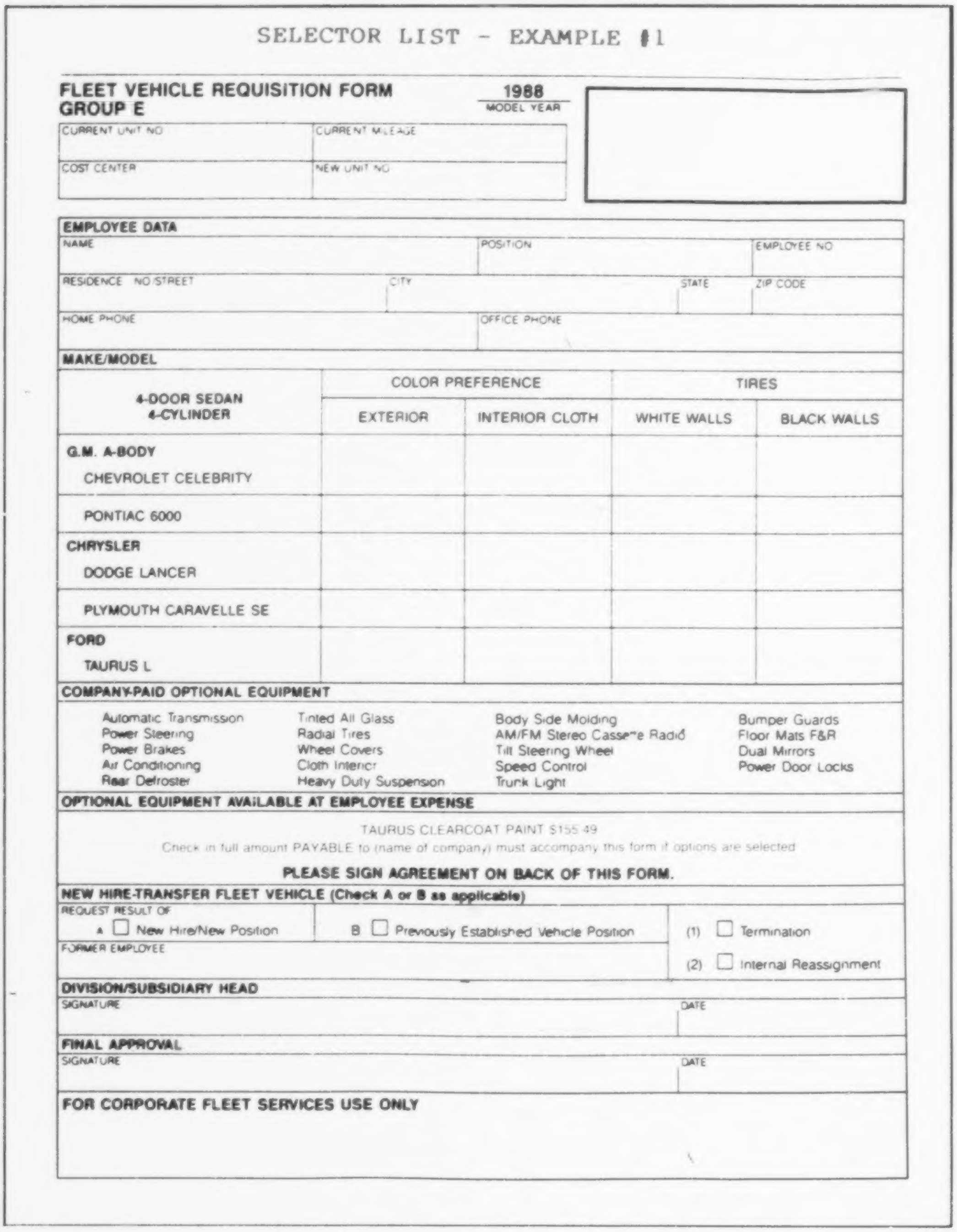
Listed most often as a compact/subcompact selector list choice was another Ford model, the Tempo. It appeared on 17 responses. It was listed as a mid-size choice on one response. The Chevrolet Cavalier appeared on 12 responses.

Of the 59 fleet managers indicating they use a selector list, 42 offered luxury car models to executive employees (See chart on page 31). Oldsmobile's Ninety-Eight Regency led the way, listed on 11 responses. Additionally, the survey revealed 20 fleets had no selector list for luxury cars; five fleets allow executives to pick any car on the selector list; five fleets provide executives an unlimited choice within specified price limits, and one fleet offered an unlimited vehicle choice for executives.

The survey also asked fleet managers if vans and light trucks were included on their selector. Results showed 67 percent offered these fleet vehicles on a selector and 33 percent did not. AF

Continued on page 38.

SELECTORS



SELECTOR LIST - EXAMPLE #1

FLEET VEHICLE REQUISITION FORM
GROUP E

1988
MODEL YEAR

CURRENT UNIT NO	CURRENT MILEAGE
COST CENTER	NEW UNIT NO

EMPLOYEE DATA

NAME		POSITION	EMPLOYEE NO
RESIDENCE NO/STREET	CITY	STATE	ZIP CODE
HOME PHONE		OFFICE PHONE	

MAKE/MODEL

4-DOOR SEDAN 4-CYLINDER	COLOR PREFERENCE		TIRES	
	EXTERIOR	INTERIOR CLOTH	WHITE WALLS	BLACK WALLS
G.M. A-BODY CHEVROLET CELEBRITY				
PONTIAC 6000				
CHRYSLER DODGE LANCER				
PLYMOUTH CARAVELLE SE				
FORD TAURUS L				

COMPANY-PAID OPTIONAL EQUIPMENT

Automatic Transmission
Power Steering
Power Brakes
Air Conditioning
Rear Defroster
Tinted All Glass
Radial Tires
Wheel Covers
Cloth Interior
Heavy Duty Suspension
Body Side Molding
AM/FM Stereo Cassette Radio
Tilt Steering Wheel
Speed Control
Trunk Light
Bumper Guards
Floor Mats F&R
Dual Mirrors
Power Door Locks

OPTIONAL EQUIPMENT AVAILABLE AT EMPLOYEE EXPENSE

TAURUS CLEARCOAT PAINT $155.49

Check in full amount PAYABLE to (name of company) must accompany this form if options are selected

PLEASE SIGN AGREEMENT ON BACK OF THIS FORM.

NEW HIRE-TRANSFER FLEET VEHICLE (Check A or B as applicable)

REQUEST RESULT OF
A ☐ New Hire/New Position
B ☐ Previously Established Vehicle Position
(1) ☐ Termination
(2) ☐ Internal Reassignment
FORMER EMPLOYEE

DIVISION/SUBSIDIARY HEAD

SIGNATURE
DATE

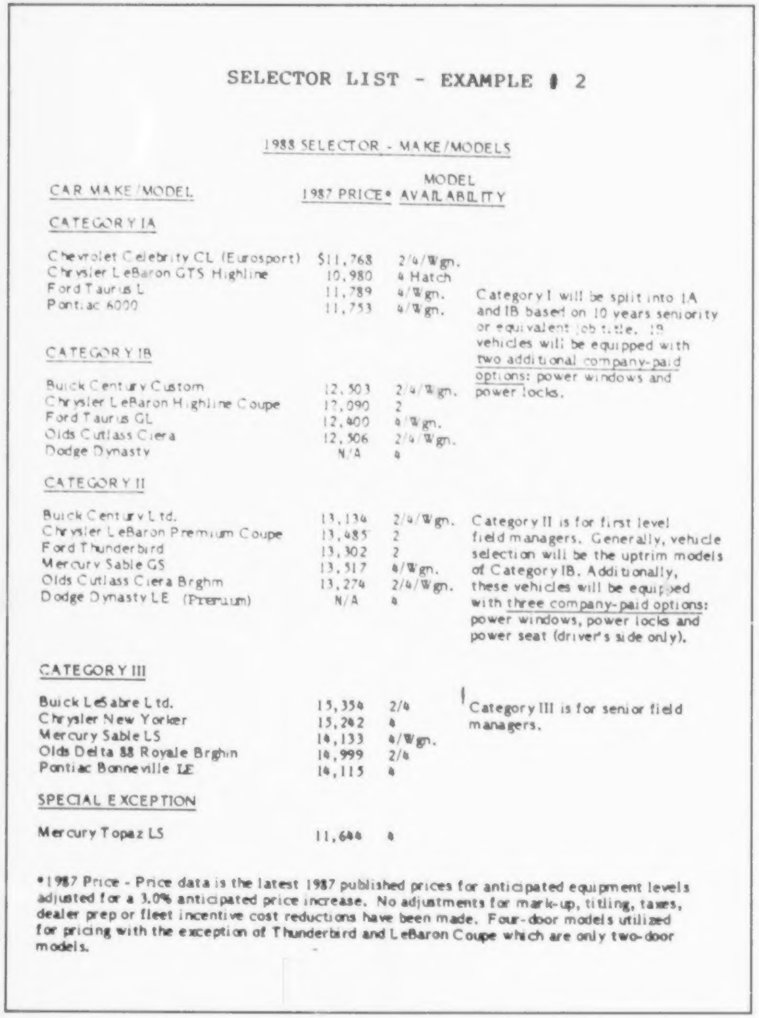
FINAL APPROVAL

SIGNATURE
DATE

FOR CORPORATE FLEET SERVICES USE ONLY

Shown above is one example of a selector list being used today. On the next page is another, more detailed example, offering drivers more choices of models and optional equipment.

Continued on page 40.



SELECTOR LIST - EXAMPLE # 2

1988 SELECTOR - MAKE/MODELS

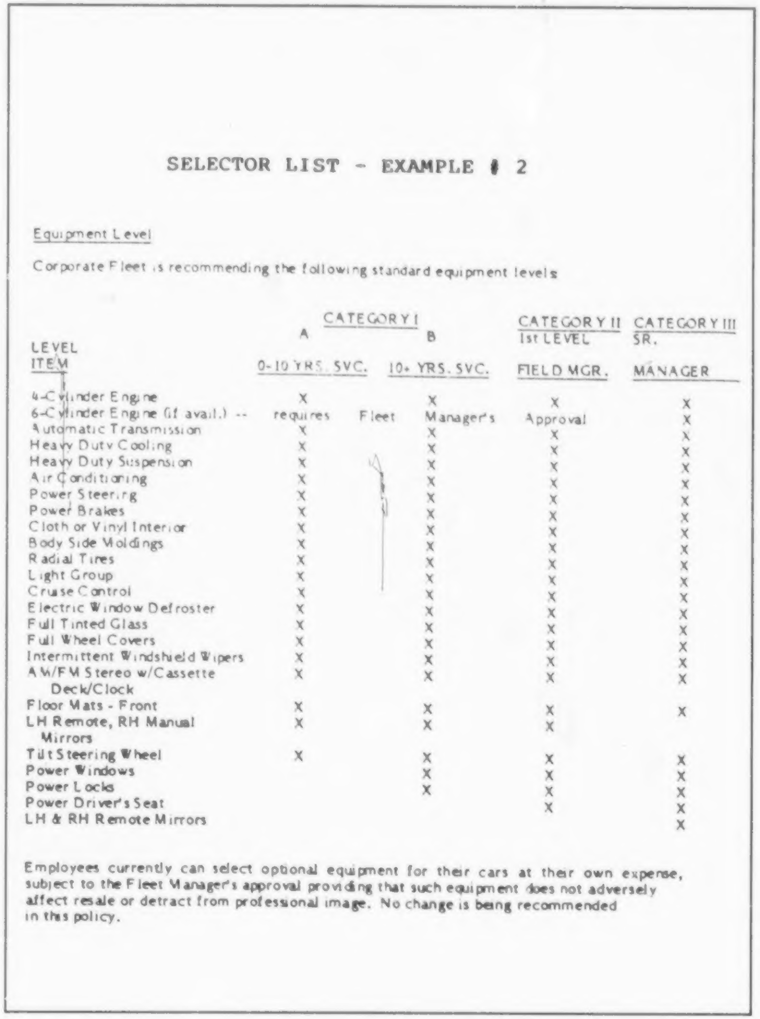
CAR MAKE/MODEL	1987 PRICE*	MODEL AVAILABILITY
CATEGORY IA		
Chevrolet Celebrity CL (Eurosport)	$11,768	2/4/Wgn.
Chrysler LeBaron GTS Highline	10,980	4 Hatch
Ford Taurus L	11,789	4/Wgn.
Pontiac 6000	11,753	4/Wgn.
CATEGORY IB		
Buick Century Custom	12,503	2/4/Wgn.
Chrysler LeBaron Highline Coupe	12,090	2
Ford Taurus GL	12,400	4/Wgn.
Olds Cutlass Ciera	12,506	2/4/Wgn.
Dodge Dynasty	N/A	4
CATEGORY II		
Buick Century Ltd.	13,134	2/4/Wgn.
Chrysler LeBaron Premium Coupe	13,485	2
Ford Thunderbird	13,302	2
Mercury Sable GS	13,517	4/Wgn.
Olds Cutlass Ciera Brghm	13,274	2/4/Wgn.
Dodge Dynasty LE (Premium)	N/A	4
CATEGORY III		
Buick LeSabre Ltd.	15,354	2/4
Chrysler New Yorker	15,242	4
Mercury Sable LS	14,133	4/Wgn.
Olds Delta 88 Royale Brghm	14,999	2/4
Pontiac Bonneville LE	14,115	4
SPECIAL EXCEPTION		
Mercury Topaz LS	11,644	4

Category I will be split into IA and IB based on 10 years seniority or equivalent job title. IB vehicles will be equipped with two additional company-paid options: power windows and power locks.

Category II is for first level field managers. Generally, vehicle selection will be the uptrim models of Category IB. Additionally, these vehicles will be equipped with three company-paid options: power windows, power locks and power seat (driver's side only).

Category III is for senior field managers.

*1987 Price - Price data is the latest 1987 published prices for anticipated equipment levels adjusted for a 3.0% anticipated price increase. No adjustments for mark-up, titling, taxes, dealer prep or fleet incentive cost reductions have been made. Four-door models utilized for pricing with the exception of Thunderbird and LeBaron Coupe which are only two-door models.



SELECTOR LIST - EXAMPLE # 2

Equipment Level

Corporate Fleet is recommending the following standard equipment levels

LEVEL	CATEGORY I A	CATEGORY I B	CATEGORY II 1st LEVEL	CATEGORY III SR.
ITEM	0-10 YRS. SVC.	10+ YRS. SVC.	FIELD MGR.	MANAGER
4-Cylinder Engine	X	X	X	X
6-Cylinder Engine (if avail.) --	requires Fleet	Manager's	Approval	X
Automatic Transmission	X	X	X	X
Heavy Duty Cooling	X	X	X	X
Heavy Duty Suspension	X	X	X	X
Air Conditioning	X	X	X	X
Power Steering	X	X	X	X
Power Brakes	X	X	X	X
Cloth or Vinyl Interior	X	X	X	X
Body Side Moldings	X	X	X	X
Radial Tires	X	X	X	X
Light Group	X	X	X	X
Cruise Control	X	X	X	X
Electric Window Defroster	X	X	X	X
Full Tinted Glass	X	X	X	X
Full Wheel Covers	X	X	X	X
Intermittent Windshield Wipers	X	X	X	X
AM/FM Stereo w/Cassette Deck/Clock	X	X	X	X
Floor Mats - Front	X	X	X	X
LH Remote, RH Manual Mirrors	X	X	X	
Tilt Steering Wheel	X	X	X	X
Power Windows		X	X	X
Power Locks		X	X	X
Power Driver's Seat			X	X
LH & RH Remote Mirrors				X

Employees currently can select optional equipment for their cars at their own expense, subject to the Fleet Manager's approval providing that such equipment does not adversely affect resale or detract from professional image. No change is being recommended in this policy.

SURVEY

According to a recent survey by Runzheimer Reports on Transportation, *a number of issues are facing fleet managers regarding vehicle acquisition, including changes in designs and styles, cost-effectiveness, and driver needs.*

Trends and Changes in Vehicle Acquisition

In order to identify trends and changes in fleet vehicle acquisition, *Runzheimer Reports on Transportation* conducted a recent survey in which 202 fleet managers participated. Among the issues facing fleet managers which affect vehicle selection are changes in vehicle designs and styles, cost-effectiveness, and driver needs. According to the survey, the average fleet size of the responding fleet managers was 519 vehicles.

Several different methods are available for acquiring new vehicles, and the most typical ways are to purchase vehicles, to lease them, or to reimburse employees for the use of their own vehicles. According to the survey, (Table 1) many fleet managers utilize more than one method in managing their vehicles. Of the respondents, 63 percent chose to own and manage their own vehicles.

Survey respondents indicate that the vehicles comprising their individual fleets vary widely. According to survey results, cars comprise the largest number of vehicles in most fleets (Table 2). However, 15 percent of responding fleet managers said that pickups comprised the majority of their fleets. In addition, 15 percent indicated that no one particular vehicle dominates their fleets.

RESPONDENTS' METHODS OF MANAGING FLEET VEHICLES

	Methods Used*	Predominant Method**
Company-owned	80%	63%
Leased	47%	36%
Employee-provided	8%	1%

*Total exceeds 100% because of multiple answers.

**Respondents predominant method of managing more than 50% of fleet vehicles. Thus, company-owned vehicles comprise more than half of the fleets of 63% of the respondents, leased vehicles comprise more than half of the fleets of 36% of the respondents, and employee-provided vehicles comprise more than half of the fleets of 1% of the respondents.

Table 1

FLEET COMPOSITION

Type of Vehicle	Percent of respondents with vehicles in fleet*	Percent of respondents whose fleets have more than 50% of these vehicles
Cars	99%	58%
Full-sized vans	77%	8%
Pickups	76%	15%
Minivans	71%	3%
Sport/utility	51%	1%
No "typical" category	—	15%

*Total exceeds 100% because of multiple answers.

Table 2

CHANGES IN FLEET COMPOSITION

Type of Vehicle	Percent of Respondents Who: Added Vehicles to Fleet for First Time in 1988	Plan to Add for First Time in 1989	Are Phasing Out Vehicles from Fleet
Minivans	17%	4%	1%
Mid-sized pickups	7%	3%	0%
Compact pickups	6%	3%	6%
Sport/utility	6%	3%	3%
Full-sized pickups	4%	1%	1%
Full-sized vans	4%	1%	7%
Imports	3%	3%	2%
None	67%	85%	84%

*Total exceeds 100% because of multiple answers.

Table 3

VEHICLE ACQUISITION

Method	
Lease from lessor	42%
Purchase from local dealer	39%
Purchase from fleet dealer	35%
Purchase through lessor	10%
Purchase direct from manufacturer and drop-ship to dealer	8%
Purchase used vehicles	7%

*Total exceeds 100% because of multiple answers.

Table 4

TRENDS IN FLEET ACQUISITION

Respondents who changed or plan to change method to acquire vehicles	18%
Respondents who did not change or plan to change method to acquire vehicles	82%

Table 5

Design and Style Changes

As manufacturers continue to introduce new designs and styles, fleet managers recognize the needs these vehicles fill in their own fleets. As an example, minivans have become more popular as fleet vehicles. Smaller in size and generally less in cost than full-sized vans, the minivan continues to make its presence felt in many fleets (Table 3). Of the respondents, 17 percent indicated that additions of minivans to their fleets were made for the first time in 1988, and another four percent expected to add them for the first time in 1989. The survey also revealed that the minivan is replacing the full-size van as a service and utility fleet vehicle. The largest group of respondents who are eliminating vehicles, seven percent, indicate that they are phasing out full-size vans.

The compact pickup is not as attractive to fleet managers as minivans, the survey indicates. Even though six percent of the respondents said they are adding them to their fleets in 1988, and three percent plan to add them in 1989, another six percent plan on phasing them out. In addition, seven percent of the respondents indicated that they acquired mid-size pickups for the first time during 1988, and three percent plan to add them to their fleets for the first time in 1989.

Two- and four-wheel-drive utility vehicles have also impacted fleets, according to the survey. Of the responding fleet managers, six percent showed that they added sport/utility vehicles to their fleets this year, and three percent plan to add the vehicles to their fleet in 1989. In comparison, three percent indicated that they are phasing utility vehicles out of their fleets.

Changing Acquisition Methods

In light of the tax changes that occurred in 1987, fleet managers are looking beyond types of vehicles to how fleets are acquiring them, the survey says. Industry observers have felt that companies may turn to leasing and lessors to simplify fleet management practices and recordkeeping (Table 5). According to survey results, most fleets involve a lessor in the acquisition of their vehicles. Forty-two percent indicated that they lease their vehicles from lessors, and 10 percent purchase them through lessors.

Table 5 shows that 18 percent of the responding fleets either changed their method of acquiring vehicles or they plan to change methods in the near future. However, a majority of the changes, as reported by the respondents, did not involve a dramatic switch to a new management method. Instead, these changes focused on cost containment, such as using a bidding process for purchasing vehicles. Other fleet managers said they had consolidated buying to obtain volume discounts through annual contracts.

Selection Criteria

Capital cost is the primary concern of a company in determining criteria for vehicle selection, the survey revealed (Table 6). This consideration was among the three most important criteria of 78 percent of the responding fleet managers. Performance history of the vehicle in the fleet was a top-three criteria of 49 percent of the respondents. This fact may suggest that fleet managers are cautious of selecting new models or vehicles with design changes. The third most important criterion, according to the survey, is serviceability, which was indicated as being in the top three criteria in 42 percent of the responses. Vehicle safety, both as a human concern for protecting driver welfare, and a corporate concern to minimize insurance costs, has increased in importance as a significant item to consider when selecting new vehicles. Survey results support this fact, particularly since most managers ranked safety ahead of depreciation when selecting vehicles. Among the selection criteria that most respondents consider less important are driver morale, load capacity, and fuel economy.

Rising Acquisition Costs

In comparison to their 1987 acquisition costs, few respondents reported a decline in their 1988 acquisition costs (Table 7). Only two percent of the respondents indicated that their 1988 costs decreased significantly. In comparison, 67 percent of the respondents said that their 1988 costs increased moderately. AF

SELECTION CRITERIA*

Percent of respondents who included each consideration as one of their three most important criterion for acquiring a new vehicle.

Capital cost	78%
Performance history with fleet	49%
Serviceability	42%
Vehicle safety	27%
Projected depreciation	18%
Driver morale	15%
Load capacity	14%
Warranty	14%
Fuel economy	13%
Company image	12%
Horsepower/Engine size	12%
Selection of options	5%
Drivetrain	2%

*Total exceeds 100% because of multiple answers.

Table 6

COMPARISON OF VEHICLE ACQUISITION COSTS 1988 VERSUS 1987

Compared to your 1987 per vehicle acquisition costs, did 1988 costs:

Increase significantly	5%
Increase moderately	67%
Remain about the same	21%
Decrease moderately	5%
Decrease significantly	2%

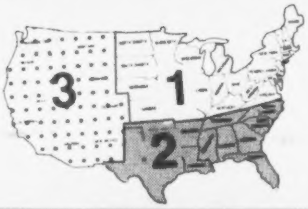
Table 7

SIX STEPS TO CONTROLLING ACQUISITION COSTS

1. Evaluate business use of vehicles and tighten eligibility to diminish fleet size.
2. Consolidate as many vehicle purchases as possible with one vendor to maximize volume.
3. Obtain bids from various fleet vendors in the area.
4. Negotiate with vendors to reduce shipping, vehicle preparation, and other destination costs.
5. Take advantage of fleet discounts or option package programs available from automakers.
6. Keep a keen eye on resale value when selecting vehicles.

USED CARS

The following are average used-car prices for the period ending August 10, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



	AVERAGE AUCTION PRICE		
Model	**Zone 1**	**Zone 2**	**Zone 3**
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3359	3394	3294
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2566	2590	2514
86 AMC ENCORE			
Sdn 5-Dr S Series	3296	3330	3229
85 AMC ENCORE			
Sdn 5-Dr S Series	2540	2565	2489
86 BUICK SKYHAWK			
Cust Coupe	4815	4863	4720
Cust Sdn	4889	4939	4792
86 BUICK CENTURY			
Cust Sdn	6165	6226	6043
85 BUICK CENTURY			
Cust Sdn	4964	5012	4863
86 BUICK SKYLARK			
Cust Sdn	6170	6232	6047
85 BUICK SKYLARK			
Cust Sdn	3774	3812	3697
86 BUICK SOMERSET REGAL			
Coupe	6226	6288	6102
86 BUICK RIVIERA			
Coupe	9965	10,063	9765
85 BUICK RIVIERA			
Coupe	8180	8261	8016
86 BUICK LE SABRE			
Cust Sdn	7665	7741	7511
85 BUICK LE SABRE			
Cust Sdn	6146	6207	6022
86 CADILLAC DE VILLE			
Cpe	11,659	11,777	11,426
Sdn	11,811	11,928	11,575
85 CADILLAC DE VILLE			
Cpe	8927	9017	8750
Sdn	8927	9017	8750
86 CADILLAC SEVILLE			
Sdn	14,487	14,633	14,199
85 CADILLAC SEVILLE			
Sdn	12,183	12,305	11,940
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3058	3089	2999
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2450	2473	2403
86 CHEVY CAMARO			
Cpe	6653	6719	6519
85 CHEVY CAMARO			
Cpe	5535	5591	5424
86 CHEVY CAVALIER			
Sdn	4450	4494	4363
85 CHEVY CAVALIER			
Sdn	3531	3568	3459
86 CHEVY CELEBRITY			
Sdn	5651	5707	5537
85 CHEVY CELEBRITY			
Sdn	4368	4412	4280
86 CHEVY CAPRICE			
Sdn	6275	6339	6150
85 CHEVY CAPRICE			
Sdn	5835	5895	5721
86 CHRYSLER LE BARON			
Cpe	5654	5710	5541
Sdn	5711	5768	5596
85 CHRYSLER LE BARON			
Cpe	4529	4574	4438
Sdn	4558	4602	4467
86 CHRYSLER FIFTH AVENUE			
Sdn	8756	8845	8582
85 CHRYSLER FIFTH AVENUE			
Sdn	7096	7166	6953
86 DODGE OMNI			
Htchbk 4 Dr	3479	3514	3410
85 DODGE OMNI			
Htchbk 4 Dr	2747	2772	2690
86 DODGE ARIES			
Sdn	4338	4381	4253
85 DODGE ARIES			
Sdn	3265	3296	3199
86 DODGE DIPLOMAT			
Sln Sdn	5061	5111	4960
85 DODGE DIPLOMAT			
Sln Sdn	3907	3947	3830
86 DODGE LANCER			
Sdn	5574	5630	5462
86 DODGE 600			
Sdn	5367	5422	5261
85 DODGE 600			
Sdn	4080	4122	3998
86 FORD ESCORT			
Htchbk 4 Dr L Series	3675	3711	3601
85 FORD ESCORT			
Htchbk 4 Dr L Series	2894	2923	2836
86 FORD MUSTANG			
LX-4 Cpe	5364	5418	5255
85 FORD MUSTANG			
LX-4 Cpe	4405	4449	4316
86 FORD TAURUS			
GL Sdn 4 Dr	7032	7102	6891
86 FORD TEMPO			
GL Sdn 4 Dr	4611	4658	4519
85 FORD TEMPO			
GL Sdn 4 Dr	3567	3603	3495
86 FORD LTD			
Sdn	4702	4747	4607
85 FORD LTD			
Sdn	3715	3752	3640
86 FORD CROWN VIC			
Sdn	8352	8435	8184
85 FORD CROWN VIC			
Sdn	6773	6842	6641
86 FORD THUNDERBIRD			
Cpe	7166	7235	7022
85 FORD THUNDERBIRD			
Cpe	5876	5936	5760
86 LINCOLN CONTINENTAL			
Sdn	13,757	13,894	13,481
Town Car Sdn	12,563	12,688	12,312
Mark VII Cpe	13,452	13,586	13,183
85 LINCOLN CONTINENTAL			
Sdn	11,170	11,281	10,946
Town Car Sdn	10,137	10,238	9934
Mark VII Cpe	10,994	11,105	10,775
86 MERCURY LYNX			
L Htchbk 4 Dr	3712	3749	3639
85 MERCURY LYNX			
L Htchbk 4 Dr	2921	2951	2863
86 MERCURY COUGAR			
Cpe LS	7973	8053	7812
85 MERCURY COUGAR			
Cpe LS	6504	6570	6375
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4788	4835	4692
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3703	3739	3630
86 MERCURY MARQUIS			
Sdn	4790	4838	4695
85 MERCURY MARQUIS			
Sdn	3763	3800	3689
86 MERCURY GRAND MARQUIS			
Sdn	4790	4838	4695
85 MERCURY GRAND MARQUIS			
Sdn	7281	7355	7137
86 OLDS FIRENZA			
Sdn	4889	4939	4792
85 OLDS FIRENZA			
Sdn	3868	3907	3791
86 OLDS CIERA			
L Coupe	6111	6169	5988
L Sdn	6185	6247	6063
85 OLDS CIERA			
LS Cpe	4896	4947	4798
LS Sdn	4959	5007	4859
86 OLDS CALAIS			
Sdn	6194	6255	6070
86 OLDS CUTLASS SUPREME			
Cpe	6833	6903	6700
Sdn	6660	6728	6525
85 OLDS CUTLASS SUPREME			
Sdn	5470	5525	5364
86 OLDS 98			
Rgcy Sdn	9143	9234	8960
85 OLDS 98			
Rgcy Sdn	7447	7523	7299
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3477	3512	3408
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2743	2769	2687
86 PLYMOUTH RELIANT			
Sdn	4320	4362	4234
85 PLYMOUTH RELIANT			
Sdn	3266	3297	3200
86 PLYMOUTH CARAVELLE			
SE Sdn	5404	5458	5295
86 PLYMOUTH GRAN FURY			
Salon Sdn	5098	5150	4998
85 PLYMOUTH GRAN FURY			
Salon Sdn	4058	4099	3978
86 PONTIAC T-1000			
Sdn	3089	3121	3026
85 PONTIAC T-1000			
Sdn	2501	2527	2453
86 PONTIAC SUNBIRD			
Sdn	4778	4826	4684
85 PONTIAC SUNBIRD			
Sdn	3752	3791	3677
86 PONTIAC 6000			
Sdn	5869	5929	5752
85 PONTIAC 6000			
Sdn	4539	4585	4449
86 PONTIAC GRAND AM			
Sdn	6444	6509	6316
86 PONTIAC FIREBIRD			
Cpe	6735	6802	6600
85 PONTIAC FIREBIRD			
Cpe	5598	5654	5485
86 PONTIAC BONNEVILLE			
Sdn	6384	6447	6254
85 PONTIAC BONNEVILLE			
Sdn	4897	4947	4798
86 PONTIAC GRAND PRIX			
Cpe	6846	6915	6711
85 PONTIAC GRAND PRIX			
Cpe	5675	5732	5560
86 PONTIAC PARISIENNE			
Sdn	7741	7816	7585
85 PONTIAC PARISIENNE			
Sdn	6138	6199	6015
86 NISSAN SENTRA			
Std Sdn 2 Dr	3688	3726	3614
86 NISSAN STANZA			
GL Ntch 4 Dr	6176	6237	6052
86 NISSAN MAXIMA			
SE Sdn	9319	9412	9133
85 NISSAN SENTRA			
Std Sdn 2 Dr	2877	2906	2821
85 NISSAN STANZA			
XE Htchbk 4 Dr	4398	4441	4310
85 NISSAN MAXIMA			
SE Sdn	7609	7687	7456
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5254	5307	5148
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7068	7139	6926
86 TOYOTA CRESSIDA			
Lux Sdn	10,581	10,686	10,369
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4427	4471	4337
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	5747	5804	5632
85 TOYOTA CRESSIDA			
Sdn	8288	8370	8121
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6506	6572	6379
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5397	5452	5290

CALENDAR

SEPTEMBER

8-11—Association For Commuter Transportation's (ACT) Annual Conference, Peabody Hotel, Memphis, TN. Information: (202) 659-0602.

13-18—Automechanika '88, Messe Frankfurt, Frankfurt, West Germany. Information: 069-7575-6320.

18-19—American Automotive Leasing Association's 1988 Midyear Meeting, The Westin Hotel Downtown, Chicago, IL. Information: (202) 223-2600.

22-24—Automotive Fleet & Leasing Association's 1988 Midyear Conference, Harbor Beach Marriott, Ft. Lauderdale, FL. Information: (213) 376-8788.

OCTOBER

6-9—50th National Auto Auction Association Convention, Atlanta Marriott Marquis, Atlanta, GA. Information: (402) 464-2170.

16-20—76th National Safety Council Congress & Exposition, Orange County Convention/Civic Center, Orlando, FL. Information: (312) 527-4800.

27-30—Fourth Annual Conference and Exposition of the National Association of Fleet Resale Dealers, St. Anthony Intercontinental Hotel, San Antonio, TX. Information: (213) 923-1276.

NOVEMBER

3-6—Legislative Issues Segment, National Vehicle Leasing Association, Lafayette Hotel, Boston, MA. Information: (213) 838-3170.

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GAS PRICES

UNLEADED

	Cost Per Gallon Unleaded	
City	Full-Serve	Self-Serve
Juneau, AK	147.9¢	134.4¢
Tucson, AZ	125.9	94.9
Inglewood, CA	149.4	99.9
New London, CT	109.4	108.4
Orlando, FL	124.4	99.4
Chicago, IL	140.7	107.4
New Orleans, LA	129.7	94.4
Detroit, MI	136.1	101.2
Springfield, MO	105.4	88.9
Greensboro, NC	117.2	94.9
Trenton, NJ	89.4	N/A
Las Vegas, NV	129.9	104.9
Rochester, NY	101.6	92.9
Oil City, PA	93.9	84.4
Spokane, WA	141.6	103.6

Survey conducted during the first five working days of August 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.

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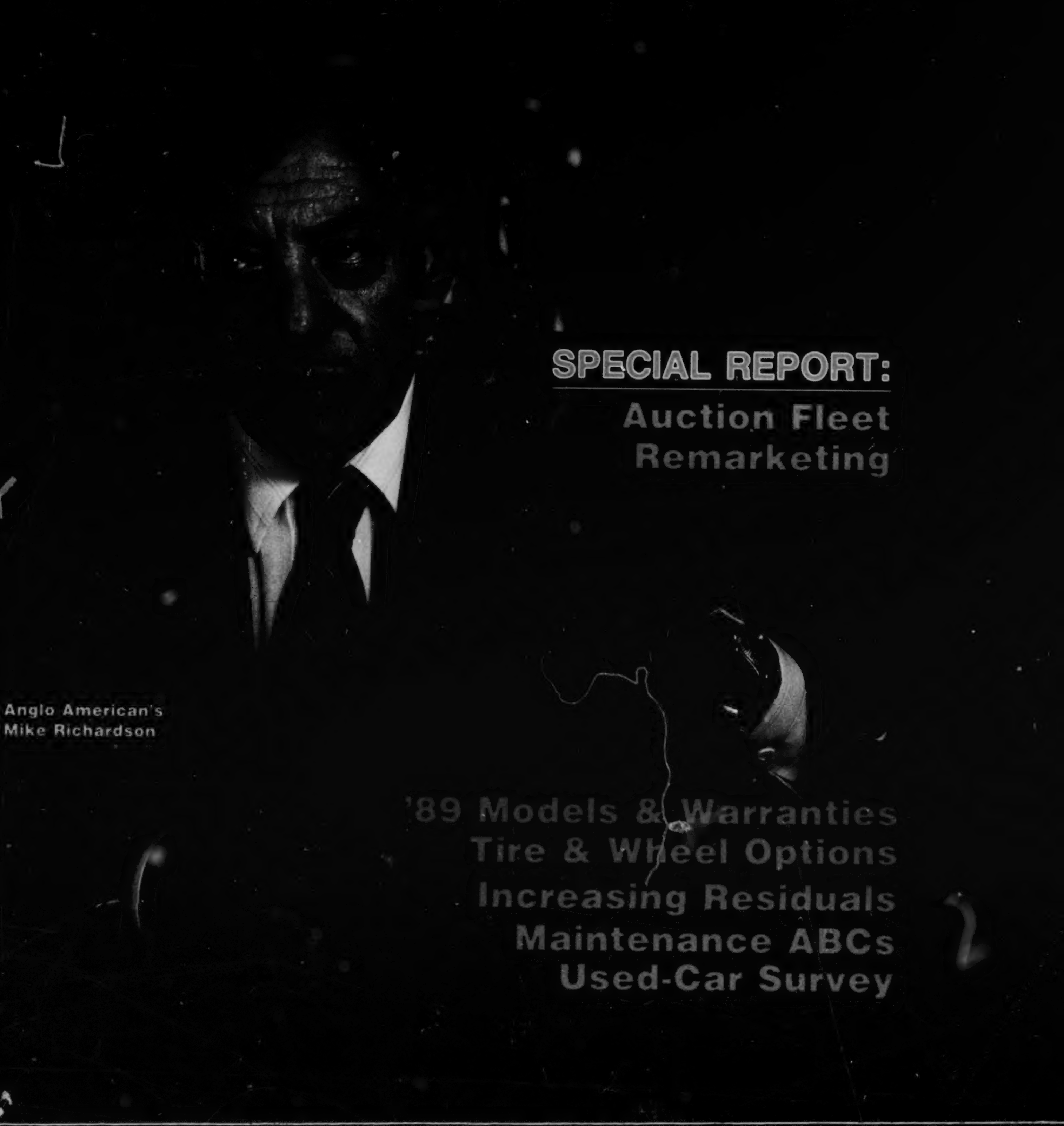
automotive FLEET

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE



Anglo American's
Mike Richardson

SPECIAL REPORT:

Auction Fleet Remarketing

'89 Models & Warranties
Tire & Wheel Options
Increasing Residuals
Maintenance ABCs
Used-Car Survey

automotive
FLEET
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

BOBIT PUBLISHING

OCTOBER 1988
VOL. 27, NO. 12

Influencing the management of
4,720,000 cars and 2,000,000 light trucks
and vans in business, leasing, rental,
utility, government, police and taxi fleets.

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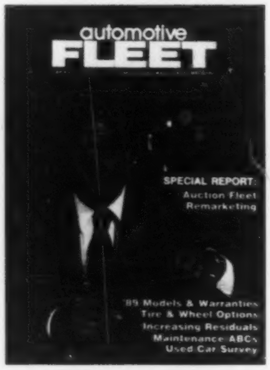

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Among options for vehicle repair, managers of utility and government fleets mostly utilize in-house facilities, while business fleets spread the work out among independent garages, dealerships, and national service accounts.

Fleet Maintenance and Repair Methods

In a recent survey focusing on methods fleets were utilizing to service their vehicles, nearly 200 fleet managers were asked questions regarding out-of-house maintenance options, in-house maintenance facilities, and in-house mechanics. The study by *Runzheimer International* surveyed business, utility, and government fleets.

Of the respondents to the survey, 49 percent manage business fleets, 35 percent administer government fleets, and 16 percent supervise the operations of utility fleets. The average fleet of respondents consists of 776 vehicles (Table 1). According to the survey, utility fleets average the highest number of vehicles—1,183—and their fleet profiles are comprised of the greatest ratio of light-duty trucks and specialty vehicles (72 percent). Contrasting that fact, business and government fleets consist mainly of cars and minivans.

Service Alternatives

According to the survey, 94 percent of government fleets and 87 percent of utility fleets utilize the services of an in-house maintenance shop (Table 2). However, only 40 percent of business fleets have in-house facilities at their disposal for repair and maintenance work.

A number of alternatives to servicing fleet vehicles in-house do exist for fleets. Two of these alternatives are dealerships and independent garages. Table 2 also points out that a rather large percentage of each type of fleet use both of these options. In addition, 52 percent of business fleets, who in many instances do not have in-house facilities, utilize the maintenance services of national service accounts, while only two percent of the government fleets and none of the utility fleets use this method.

Of fleets that utilize dealerships, a greater percentage send vehicles to them for warranty work only, but many have non-warranty work per-

Average Number of Vehicles in Fleets of Respondents By Types of Fleets and Vehicles

	Business	Utility	Government	All Respondents
Cars and Minivans	355	322	380	368
Light Trucks	95	526	220	226
Other Vehicles	87	335	197	182
Total Number of Vehicles	**537**	**1,183**	**797**	**776**

Source: Runzheimer

Table 1

Where Vehicles Are Serviced*

	Business	Utility	Government
In-house Repair	40%	87%	94%
Independent Garages	61%	83%	57%
Dealerships	56%	35%	33%
National Service Accounts	52%	0%	2%
Others	4%	4%	12%

*Total exceeds 100% because of multiple answers.

Source: Runzheimer

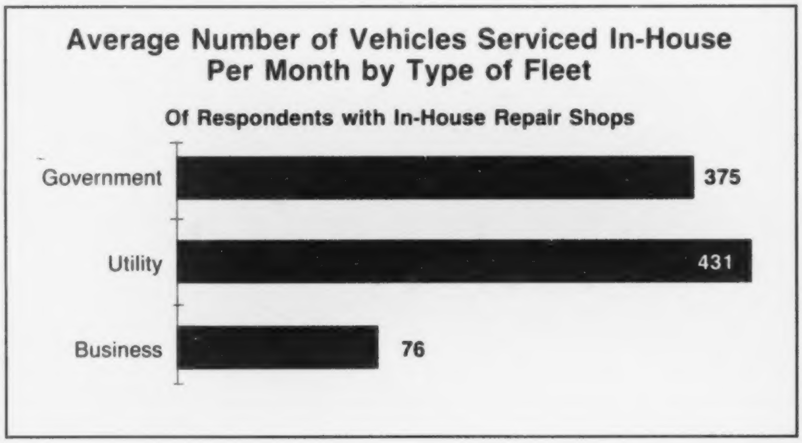
Table 2

formed at dealerships also. Often times, this non-warranty service involves recall work and electric diagnostic work specified by the manufacturer.

An independent garage is another alternative for fleets. Radiator, transmission, and exhaust system repairs are some of the services fleets choose to have done at independent facilities rather than in-house.

In-house vs. Out-of-house

Of fleets with such facilities, inhouse vehicle maintenance is most abundant among utility fleets. According to Table 3, utility fleets service an average of 431 vehicles in-house per month, followed by government fleets with 375 vehicles per month, and business fleets with 176 vehicles per month. On the flip side, business fleets service the most vehicles out-of-house per month. Table 4 reveals that business fleets service an average of 92 vehicles per month at out-of-house maintenance facilities, followed by government fleets, which utilize out-of-house maintenance sites for an average of 67 vehicles per month. Utility fleets tab out-of-house repair shops for an average of only 45 vehicles per month.


Average Number of Vehicles Serviced In-House Per Month by Type of Fleet

Of Respondents with In-House Repair Shops

Table 3

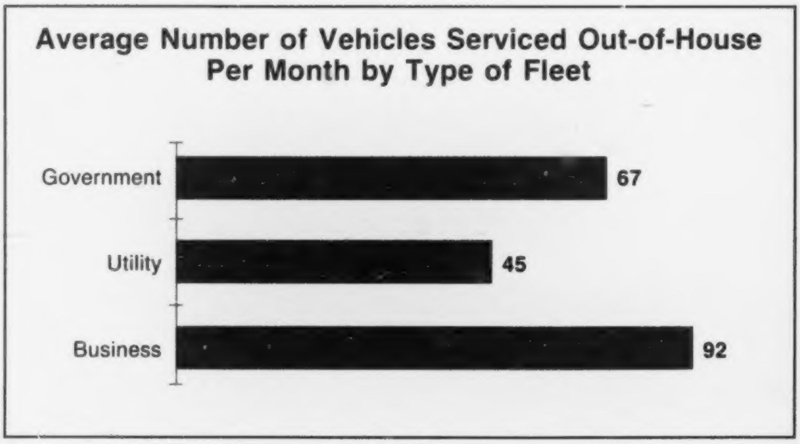

Average Number of Vehicles Serviced Out-of-House Per Month by Type of Fleet

Table 4

Number of Mechanics Employed In-House By Type of Fleet

	Average	Fewer than 10	11-25	26-50	over 50
Business	11	77	11	8	4
Utility	43	20	25	30	25
Government	17	62	13	19	6

Source: Runzheimer

Table 5

(Text continued on page 68.)

How to Run a Safe Maintenance Shop

Maintenance shop accidents and their resulting downtime can be prevented through good housekeeping and well-maintained tools. A clean shop is safe, efficient, and economical to operate. Here are several tips on tool care that can help keep the shop safe.

- Keep tools clean. Clean tools are easier and safer to use, because they aren't as likely to slip from a technician's hand.
- Keep edged tools sharp. Fewer accidents result from sharp tools than dull ones. Screwdrivers, for example, should have rounded tips ground square.
- Check electrical tools before each use to make sure wiring is intact and housings are intact and grounded. Electrical tools that have the grounding blade on the plug removed are dangerous. If these tools need repair, make the repairs properly.
- Check extension cords and work lights to make sure insulation and plugs are intact. Only hazardous-service work lights should be used, and all cords should be grounded. Protect wiring and cords from moisture, especially during use.
- Do not use electrical tools near water or where fluids can run over them. Double-insulation or grounding may protect the tool from fluids, but won't guarantee the operator's safety.
- Check air tools, air hoses, and couplings before each use. Hoses can deteriorate rapidly from contact with petroleum products. Couplings that loosen or wear out can cause air hoses to whip around dangerously.
- Inspect air compressors regularly, paying close attention to drive belts, protective guards, and enclosures.
- Use tools properly. Don't substitute a heavy tool for a hammer or a screwdriver for a pry bar. Tool "helpers," such as a piece of pipe over a wrench handle for increased leverage, can damage nuts and fasteners, resulting in time lost and possible accidents.

In addition to proper tool care, wear protective clothing and eye shields if the job requires them, and follow safety procedures in the shop. A safely-operated shop will increase employee productivity, reduce downtime, and reduce insurance premiums.

Source: Runzheimer Reports on Fleet Maintenance & Safety.

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Average Monthly Vehicle-to-Mechanic Ratio by Type of Fleet

	Vehicles/Mechanic
Business	16
Utility	10
Government	22

Source: Runzheimer

Table 6

Utilizing Mechanics

Of fleets with in-house repair shops, utility fleets average the most mechanics — 43. Government and business fleets with in-house repair facilities average far fewer mechanics, 17 and 11, respectively (Table 5). According to the survey, 25 percent of the utility fleet respondents employ more than 50 mechanics, while only four percent of business fleets and six percent of government fleets have mechanic crews of that size. The majority of business fleets (77 percent) and government fleets (62 percent) employ fewer than 10 mechanics at their in-house repair sites.

In order to get an indication of the average number of vehicles serviced per mechanic at in-house repair facilities, the average number of fleet vehicles was divided by the average number of mechanics (Table 6). Results show that government fleets work on an average of 22 vehicles per month. Business fleet mechanics service 16 vehicles a month, while utility fleet mechanics handle 10 vehicles per month. Note: Because utility fleets have a relatively large amount of specialty vehicles, mechanics who service these vehicles generally require special training. Additionally, since these vehicles tend to operate under more extreme conditions than do typical fleet vehicles, they tend to have a greater ratio of downtime. AF

CAR PHONES

Five years ago this month, the first cellular phone system started operating in Chicago. Improving technology and greater affordability have helped markets emerge nationwide, serving approximately 1.5 million cellular phones.

The Growth of the Cellular Phone Market

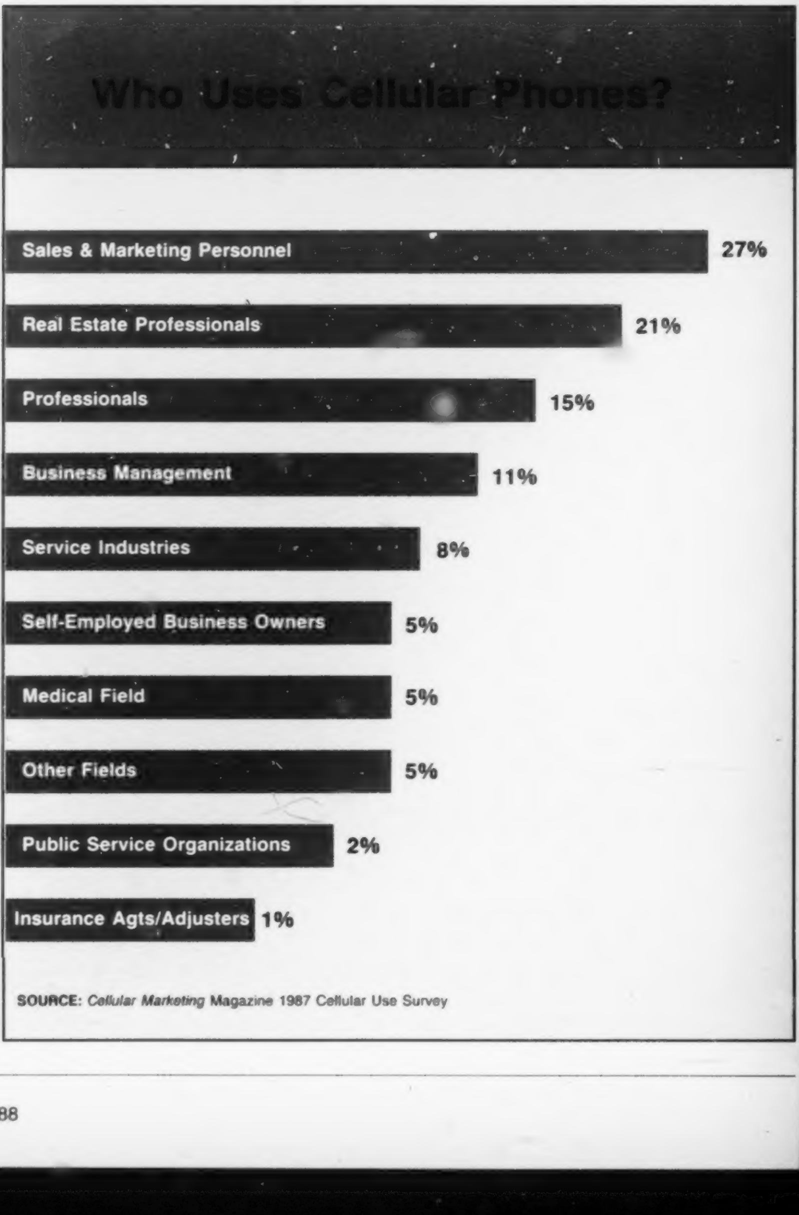
Since the first commercial system became operational in Chicago in October 1983, cellular phone systems have emerged at a startling rate.

By 1985, the 100th commercial cellular phone system had begun service in the U.S., and by 1986, the 200th system started operations. Currently, 306 cellular markets in the U.S. serve approximately 1.5 million cellular phones. This compares to nearly 800,000 units believed to be operating at the end of 1987.

Industry experts say increasing affordability is a main reason behind today's 60,000-unit-per-month rate of growth for cellular phones. While a cellular phone once cost as much as $3,000, prices have tumbled. A car phone can now be purchased for as little as $500.

The advent of cellular phones can also be attributed to their growing popularity in the business world; they are no longer just luxuries for the affluent. According to *Cellular Marketing* magazine's 1987 Cellular User Survey of 1,000 cellular phone users, sales and marketing personnel made up 27 percent of the cellular phone network, and management personnel comprised another 11 percent of the cellular phone user force (See chart at right).

Equipping a national fleet with



SOURCE: *Cellular Marketing* Magazine 1987 Cellular Use Survey

Since the average fleet driver spends approximately 660 hours per year behind the wheel of his or her vehicle, unproductive driving time can be better utilized with the assistance of a car phone.

mobile communications capabilities is not simple. Each city has its own cellular system or systems, and they are operated individually. Coordination between the cellular supplier, the network operators, and the fleet manager is essential to a smooth and efficient operation of cellular phones in a company fleet.

Cellular Technology

A metropolitan area has a certain number of "cells", each with its own radio transmitter. The transmitters relay cellular phone calls from one cell to another as callers drive between them. The main link that transmits calls between cells is a Mobile Telephone Switching Office (MTSO)—a central cellular control computer. MTSOs monitor the strength of the signal between the cellular telephone and the transmitter and then instantly decide when and if the call should be passed along to another transmitter.

The MTSOs connect a cellular network to the regular telephone system, enabling cellular phone users to call anywhere in the world. Cellular phones can be operated anywhere in the U.S. that has a cellular network. A cellular user in another area is known as a "roamer." Practically all cellular companies have agreements with one another to allow for such "roaming" and have the charges appear on the customer's regular cellular telephone bill. However, because different cities are served by different cellular phone companies, special arrangements may have to be made with the cellular carrier, or a credit card may have to be used.

Affordability

One reason the popularity of cellular phones has grown since 1983 is that prices have decreased. Every major city has at least two cellular transmission systems, not to mention numerous equipment dealers. It is because of this competition that cellular phone usage is becoming more practical and affordable. For fleet managers who may be contemplating cellular phones for sales, marketing, and management personnel, several considerations should be made. First, how many units will be needed? While the price of individual phones has dropped to well below $1,000 each, a bulk order will be more cost-efficient. In addition, cellular phone prices vary according to features. What features should a phone have? According to the survey conducted by *Cellular Marketing*, the features considered most important to cellular users are number memory, alphanumeric readout, and last number redial.

Along with the cost of the hardware itself, a fleet manager will have to monitor a billing statement that includes a monthly charge for service, charges for air time by the minute (about 30 cents per minute), and long-distance toll charges.

Increasing Productivity

According to the results of the *Cellular Marketing* survey, almost 90 percent of the respondents indicated their productivity had increased since acquiring a cellular phone, a figure slightly higher than the prior year's survey. Also, when cellular customers were asked if their productivity had improved as much as they thought it would, 74 percent responded that it had, compared to 66 percent from the previous year.

Convenience of use is also a benefit to businesspeople with cellular phones. Relatively no training is necessary to become familiar with the use of cellular phones. All that is required is a knowledge of how your individual unit operates, which is usually as simple as memorizing which buttons control redial and memory. Since the average fleet driver spends approximately 660 hours per year behind the wheel of his or her vehicle, unproductive driving time can be better utilized with the assistance of a car phone.

Safety

Considering the amount of time fleet drivers spend in their cars, safety must always be important. Will a cellular phone be a distraction to a driver? Just as a speakerphone allows "hands-free" phone operation in one's office, a speaker-equipped car phone essentially does the same thing. Almost all cellular phones have optional speaker capabilities allowing "hands-free" operation inside the vehicle. This feature, together with stored phone numbers and memory redial, can assist a driver in the safe operation of his or her vehicle while using a cellular phone.

While the safe operation of a vehicle during the use of a cellular phone is important, another safety-related benefit of cellular phones is their usage in emergency situations. Many cellular telephone companies coordinate programs with local public safety organizations. Some of the programs include charge-free calls to 911 emergency dispatchers to report highway and other roadway accidents, traffic congestion, and providing communications between stranded motorists and emergency service agencies.

Choosing Equipment

For a fleet manager who is considering the installation of cellular phones in company vehicles, there are basically four types of cellular mobile phones to choose from. First, and most likely of the four for fleet useage, are car phones designed to be wired and installed inside a vehicle. Second, there are battery-powered briefcase phones which provide portability away from the vehicle. There also are "transportables" that are much lighter and more versatile than briefcase models. Lastly, there are hand-held phones which resemble walkie-talkies and come equipped with small battery packs.

The car phone would seemingly be the most practical type of cellular phone in fleets. It has virtually limitless power and a very strong signal, plus the driver can use the phone in the privacy of his or her vehicle between appointments.

The briefcase model is simply a cellular phone inside a briefcase. It features an eight-hour battery with enough power to transmit 90 minutes of calls. The drawback of the briefcase model is its weight—between 22 and 24 pounds.

The transportable unit, while not as attractive as the briefcase model—it has no carrying case, just a shoulder strap—offers more versatility and convenience. It is noticeably lighter (about 10 pounds) and has the ability to convert back and forth from car phone to field phone. This is possible because of a modular design which allows the phone to be unhooked from the car and fitted onto a portable battery component. A transportable is capable of the same high-power transmission outside the car as it does inside. Transportable phones generally come with four-hour batteries capable of transmitting 60 minutes of continuous calling.

The most portable, lightweight cellular phone is the hand-held model, weighing only two to three pounds. These units only have 30-minute batteries, however, and recharging is needed after every 30-minute calling period.

Case Study

Use of cellular phones by company fleets is growing rapidly, according to Mark Bell, national sales manager for US West Cellular. In a speech at the International Mobile Communications Expo in Las Vegas last April, Bell pointed out that fleets currently represent an estimated 50,000 subscribers. Over the next five years, Bell said, this figure is expected to increase to as high as one million.

One company that has recently begun using cellular phones in its fleet vehicles is Wilmington, DE-based DuPont. Don Eastburn, DuPont's fleet manager, says that about a year and a half ago salespeople began purchasing or leasing cellular phones for use in their company cars. The company reimbursed the employees for the expenses of the phones, then undertook a detailed study to determine if a fleet-wide cellular program would be cost-beneficial. According to Eastburn, the study showed that equipping DuPont's approximately 4,000 company vehicles with cellular phones would cost around $1 million.

Based on estimates of return of $14 million, DuPont began installing cellular phones for field salespeople. As of now, about half of the fleet is cellular, and Eastburn hopes to be completely cellular by early Spring 1989. "We are finding that the phones are valuable sales tools," says Eastburn, "and they give our salesforce a more professional edge in the marketplace."

Eastburn says that productivity has increased 10 to 15 percent since the cellular program began, and driver feedback has been "100 percent positive."

This year's findings reveal that commercial fleets are keeping their vehicles in service longer in terms of both time and mileage, compared to 1987. Fleet disposal and reconditioning results are also discussed.

NAFA's 1988 Used-Vehicle Marketing Survey

The National Association of Fleet Administrators' 1988 Used-Vehicle Marketing Survey drew responses from 185 U.S. commercial fleets and 83 government and public utility fleets. Altogether, the responding U.S. commercial fleets control 183,956 vehicles: 88,308 company-owned vehicles and 95,648 leased vehicles.

According to the survey results, commercial fleets are keeping their vehicles in service longer in terms of both time and mileage, compared to 1987. This continues a trend begun in 1986. In 1988, fleets reported they kept vehicles operating an average of 32 months or 64,540 miles. In 1987, the average was 31 months or 64,356 miles, and in 1986, fleets kept vehicles an average of 30.2 months or 61,029 miles.

Contrary to this trend, however, nearly three-quarters of the fleets said they did not plan to change the length of time vehicles are kept in service. In fact, of the 68 fleets planning a change, nearly half said they would decrease both the months and miles vehicles are kept in service.

When asked last year what their replacement policies would be for 1987/1988, respondents said vehicles would remain in use an average of 40 months/65,808 miles and 45 months/64,740 miles, respectively. When asked that same question this year, respondents reported an average of 36 months/59,318 miles and 36 months/63,109 miles. The fleets predicted their replacement policies

U.S. Fleets	Average Age of Vehicles Sold (1987) Months	Average Mileage of Vehicles Sold 1987	Written Replacement Policies Months/Miles			
			1987	1988	1989	1990
Drugs & Cosmetics	28	52.887	33/56.423	35/54.500	34/54.850	34/54.850
Food & Beverage	28	57.254	36/56.923	37/57.400	37/56.364	37/56.364
Insurance	30	53.484	33/55.346	32/54.673	33/54.150	33/54.150
Chemical & Petroleum	38	79.515	43/67.802	44/69.631	46/69.733	46/66.759
Industrial Manufacturing	30	63.290	35/57.983	35/58.135	36/58.075	36/57.974
Consumer Manufacturing	28	58.138	33/56.538	33/58.077	32/57.222	32/57.222
Banking/Financial	40	59.950	38/56.700	37/56.200	37/55.778	37/58.375
Communications	36	67.392	45/64.444	48/61.500	50/62.222	50/64.375
Service Organizations	31	73.144	35/63.438	37/68.511	30/62.500	30/62.500
Electronics	24	40.512	24/56.667	28/58.333	36/60.000	36/60.000
Other	34	61.486	36/66.667	37/66.667	38/70.714	39/72.143
(Avg. Total U.S. Commercial Fleets)	**(32)**	**(64.540)**	**(36/59.318)**	**(36/63.109)**	**(36/59.121)**	**(37/59.251)**
Government	60	85.127	64/80.643	64/80.258	64/80.903	64/80.433
Public Utility	75	86.286	63/75.658	61/74.615	61/74.615	61/74.615

Table 1

> *. . . U.S. commercial fleets are driving more miles in fewer months than previous years and are, therefore, disposing of their vehicles sooner.*

for 1989 and 1990 would be 36 months/59,121 miles and 37 months/59,251 miles, respectively.

To summarize the data, U.S. commercial fleets are driving more miles in fewer months than previous years and are, therefore, disposing of their vehicles sooner.

Auto auctions were the most common method commercial fleets used to dispose of vehicles, sales to employees were second, and sales to wholesalers third. These rankings have been the same for the past three years.

For the second straight year, the majority of fleet managers said they use *Automotive Market Report* to set prices of vehicles sold to employees.

Last year, commercial fleets disposed of more than 21,000 pre-1983-model year vehicles, 20,156 1986-model year vehicles, and 16,119 1983-model year vehicles. Less than 15 percent of the surveyed commercial fleets reconditioned vehicles prior to disposal.

Government and Utility Fleets

The NAFA survey drew 83 responses from U.S. government and public utility fleets responsible for 128,197 company-owned vehicles and 5,842 leased vehicles.

These fleets increased the length of time they kept their vehicles this year, according to the survey. In 1986, government fleets held their vehicles, on the average, for nearly 64 months. This figure fell to 55 months in 1987. This year, it is back up to an average of 60 months. Public utility fleets kept their vehicles an average of 66 months in 1986; 61 months in 1987, and 75 months in this year's survey.

Government fleets continued a

U.S. Fleets	% Planning Change in Length Vehicles Kept in Service	Of % Planning Change	% Planning Increase in Months and Miles Vehicles Kept in Service	% Planning Decrease in Months and Miles Vehicles Kept in Service	% Planning Increase Miles/ Decrease Months or Decrease Miles/ Increase Months
Drugs & Cosmetics	29.4%		0	40.0%	60.0%
Food & Beverage	6.7%		0	100%	0
Insurance	26.7%		75.0%	25.0%	0
Chemical & Petroleum	33.3%		50.0%	50.0%	0
Industrial Manufacturing	28.1%		11.1%	55.6%	33.3%
Consumer Manufacturing	7.1%		0	0	100%
Banking/Financial	28.6%		75.0%	25.0%	0
Communications	16.7%		0	100%	0
Service Organizations	40.0%		50.0%	33.3%	16.7%
Electronics	20.0%		100%	0	0
Other	30.8%		50.0%	50.0%	0
(Avg. Total U.S. Commercial Fleets)	**(25.4%)**		**(40.4%)**	**(42.%)**	**(17.0%)**
Government	40.7%		38.1%	57.1%	4.8%
Public Utility	10.3%		0	100 %	0

Table 2

Almost 60 percent of government fleets reported that they will change their replacement policies to reduce both the months a vehicle is held and the mileage it is driven.

downward trend in the average number of miles on a vehicle. Public utility fleets showed an increase in total average mileage for the third consecutive year.

This year, on the average, government fleets disposed of vehicles after 85,127 miles. Last year they averaged 91,679 miles. This trend should continue next year, the survey said.

Almost 60 percent of government fleets reported that they will change their replacement policies to reduce both the months a vehicle is held and the mileage it is driven.

When asked their specific replacement policies for upcoming years, however, government fleet managers said they will keep vehicles an average of 64 months — which is higher than this year's average — and 80,668 miles — which is less than this year's average.

The opposite is true for public utility fleets. In 1986, their vehicles averaged 78,550 miles before they were replaced. In 1987, these fleets kept their vehicles an average of 86,286 miles. These fleets kept vehicles an average of 66 months in 1986, 61 in 1987, and 75 this year. Only 10 percent of these fleets plan a change in their replacement policies for 1989. However, all who are planning a change said they will keep vehicles fewer months and fewer miles.

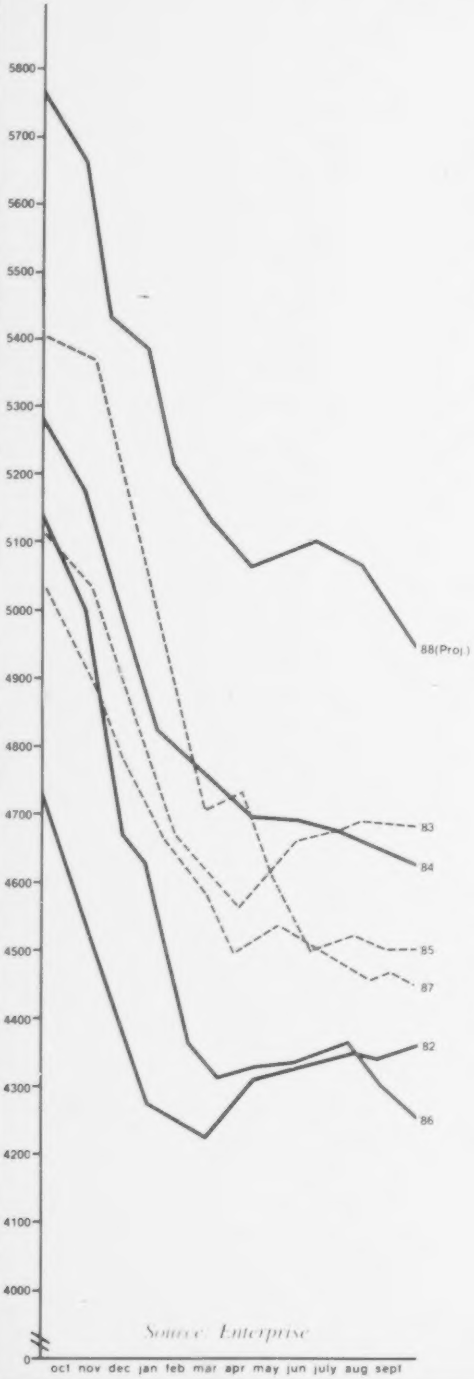
Most of the vehicles sold by responding U.S. government and public utility fleets were pre-1983 models. Most of these vehicles were sold through auctions. Nearly 30 percent of government fleets and 14 percent of utility fleets reconditioned vehicles prior to disposal.

What source is used to determine prices of vehicles sold to employees?

U.S. Fleets	NADA	AMR	Independent Wholesaler	Black Book	Blue Book	Red Book	Retail Market	Your Book Value	Leasing Company Adjustment	Other	Recondition Vehicles Before Selling Them
Drugs & Cosmetics	18.8%	37.5%	0	6.3%	18.8%	6.3%	0	18.8%	37.5%	6.3%	7.6%
Food & Beverage	14.3%	85.7%	7.1%	7.1%	14.3%	0	0	28.6%	7.1%	7.1%	20.0%
Insurance	37.0%	51.9%	3.7%	14.8%	7.4%	3.7%	7.4%	14.8%	11.1%	7.4%	0
Chemical & Petroleum	42.9%	71.4%	7.1%	14.3%	0	0	14.3%	14.3%	14.3%	7.1%	16.7%
Industrial Manufacturing	33.3%	70.0%	3.3%	6.7%	3.3%	0	6.7%	23.3%	16.7%	13.3%	6.3%
Consumer Manufacturing	14.3%	71.4%	14.3%	7.1%	7.1%	0	0	28.6%	14.3%	14.3%	28.6%
Banking/Financial	62.5%	50.0%	25.0%	37.5%	25.0%	0	12.5%	37.5%	12.5%	25.0%	35.7%
Communications	0	37.5%	0	12.5%	25.5%	0	0	0	25.0%	0	25.0%
Service Organizations	25.0%	33.3%	0	8.3%	33.3%	0	0	25.0%	33.3%	0	13.3%
Electronics	0	40.0%	20.0%	0	0	0	0	40.0%	20.0%	60.0%	20.0%
Other	50.0%	33.3%	25.0%	16.7%	8.3%	0	0	33.3%	16.7%	16.7%	7.7%
(Avg. Total U.S. Commercial Fleets)	**(29.4%)**	**(56.3%)**	**(7.5%)**	**(11.3%)**	**(11.3%)**	**(1.3%)**	**(4.4%)**	**(22.5%)**	**(18.1%)**	**(11.3%)**	**(14.6%)**
Government	0	0	0	0	50.0%	0	0	0	100%	100%	29.6%
Public Utility	33.3%	16.7%	8.3%	16.7%	16.7%	0	0	33.3%	16.7%	25.0%	13.8%

Table 3

Used-Car Market Past, Present and Future

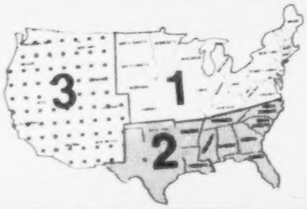


Source: Enterprise

Model Year	New Car Cost/Avg. Used Car Value/Avg. Percent Relation	Description Used Car Market
'89 (Proj.)	$10,482 $ 5,147 49.1%	New car pricing, predicted to be stable for 1989, should flatten the used car market early in 1989. Well-equipped vehicles with lower mileage should be able to stand above the market.
'88	$10,378 $ 5,106 49.2%	Even though the factors that have strangled the market for the last three years are still present, the market did show some strength towards year end.
'87	$ 9,815 $ 4,588 46.7%	The used car market began to show some modest strength with the weakening of new car sales. However, continued below-market factory new car financing and federal odometer law enforcement continued to impact late model, high mileage used vehicle values.
'86	$ 9,657 $ 4,575 47.4%	Four factors—modest new car price increases, factory rebates and finance incentives, extended new car financing and federal odometer law enforcement—had a negative impact on the used car market.
'85	$ 9,234 $ 4,701 50.9%	The flat market that began with increased new car sales in spring of '83 continued throughout the entire year. More aggressive enforcement of odometer laws, media coverage of odometer law offenders and new car extended month financing and the continued strength of new car sales contributed to the continued flat market.
'84	$ 8,984 $ 4,838 53.8%	The strength of the used car market began to diminish with the increase in new car sales. With the increase in new car sales, there were fewer used car buyers and more used cars available. High mileage cars were hit particularly hard because of increased state compliance with federal odometer laws, increased federal investigations and media exposures.
'83	$ 8,717 $ 4,742 54.4%	The overall economy began showing positive signs in the spring. New car sales picked up in the spring because of reduced interest rates (10-12%) and reduced price of gasoline ($1.15/gal.). The overall used car market was strong except for an extreme decline between late November and late January. Large cars were in greatest demand.
'82	$ 8,690 $ 4,449 51.2%	After a strong summer and fall, the depressed economy and lack of used car financing funds finally affected the used car market. As gasoline prices declined, in some cases to less than $1.00/gal., the market for smaller cars softened, while the demand for larger cars increased.

USED CARS

The following are average used-car prices for the period ending September 7, 1988. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically in IBM machines. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of Automotive Market Report.



Model	AVERAGE AUCTION PRICE Zone 1	Zone 2	Zone 3
86 AMC ALLIANCE			
Sdn 4 Dr L Series	3319	3353	3255
85 AMC ALLIANCE			
Sdn 4 Dr L Series	2530	2554	2479
86 AMC ENCORE			
Sdn 5-Dr S Series	3250	3284	3184
85 AMC ENCORE			
Sdn 5-Dr S Series	2504	2529	2455
86 BUICK SKYHAWK			
Cust Coupe	4787	4833	4692
Cust Sdn	4859	4909	4764
86 BUICK CENTURY			
Cust Sdn	6116	6176	5995
85 BUICK CENTURY			
Cust Sdn	4934	4982	4833
86 BUICK SKYLARK			
Cust Sdn	6140	6201	6017
85 BUICK SKYLARK			
Cust Sdn	3747	3785	3672
86 BUICK SOMERSET REGAL			
Coupe	6195	6256	6072
86 BUICK RIVIERA			
Coupe	9885	9983	9687
85 BUICK RIVIERA			
Coupe	8123	8204	7960
86 BUICK LE SABRE			
Cust Sdn	7612	7687	7458
85 BUICK LE SABRE			
Cust Sdn	6103	6164	5980
86 CADILLAC DE VILLE			
Cpe	11,566	11,683	11,335
Sdn	11,717	11,833	11,482
85 CADILLAC DE VILLE			
Cpe	8838	8927	8662
Sdn	8838	8927	8662
86 CADILLAC SEVILLE			
Sdn	14,343	14,487	14,057
85 CADILLAC SEVILLE			
Sdn	12,061	12,182	11,821
86 CHEVY CHEVETTE			
Htchbk 4 Dr	3037	3067	2978
85 CHEVY CHEVETTE			
Htchbk 4 Dr	2426	2449	2379
86 CHEVY CAMARO			
Cpe	6600	6666	6467
85 CHEVY CAMARO			
Cpe	5501	5557	5392
86 CHEVY CAVALIER			
Sdn	4410	4454	4324
85 CHEVY CAVALIER			
Sdn	3488	3525	3418
86 CHEVY CELEBRITY			
Sdn	5595	5650	5481
85 CHEVY CELEBRITY			
Sdn	4315	4359	4229
86 CHEVY CAPRICE			
Sdn	6243	6307	6120
85 CHEVY CAPRICE			
Sdn	5788	5848	5675
86 CHRYSLER LE BARON			
Cpe	5587	5641	5474
Sdn	5642	5699	5529
85 CHRYSLER LE BARON			
Cpe	4474	4519	4385
Sdn	4503	4547	4414
86 CHRYSLER FIFTH AVENUE			
Sdn	8668	8757	8496
85 CHRYSLER FIFTH AVENUE			
Sdn	7061	7131	6918
86 DODGE OMNI			
Htchbk 4 Dr	3445	3479	3376
85 DODGE OMNI			
Htchbk 4 Dr	2731	2756	2674
86 DODGE ARIES			
Sdn	4294	4337	4211
85 DODGE ARIES			
Sdn	3233	3264	3167
8[illegible]GE DIPLOMAT			
[illegible] Sdn	5031	5081	4930
85 DODGE DIPLOMAT			
Sln Sdn	3875	3915	3800
86 DODGE LANCER			
Sdn	5502	5557	5392
86 DODGE 600			
Sdn	5302	5357	5198
85 DODGE 600			
Sdn	4032	4072	3950
86 FORD ESCORT			
Htchbk 4 Dr L Series	3639	3674	3565
85 FORD ESCORT			
Htchbk 4 Dr L Series	2845	2874	2787
86 FORD MUSTANG			
LX-4 Cpe	5321	5375	5213
85 FORD MUSTANG			
LX-4 Cpe	4361	4405	4273
86 FORD TAURUS			
GL Sdn 4 Dr	6997	7066	6857
86 FORD TEMPO			
GL Sdn 4 Dr	4574	4621	4482
85 FORD TEMPO			
GL Sdn 4 Dr	3524	3560	3454
86 FORD LTD			
Sdn	4665	4709	4570
85 FORD LTD			
Sdn	3685	3722	3611
86 FORD CROWN VIC			
Sdn	8310	8393	8143
85 FORD CROWN VIC			
Sdn	6733	6801	6601
86 FORD THUNDERBIRD			
Cpe	7131	7199	6987
85 FORD THUNDERBIRD			
Cpe	5840	5900	5776
86 LINCOLN CONTINENTAL			
Sdn	13,688	13,825	13,414
Town Car Sdn	12,500	12,625	12,250
Mark VII Cpe	13,385	13,518	13,117
85 LINCOLN CONTINENTAL			
Sdn	11,103	11,213	10,880
Town Car Sdn	10,077	10,176	9874
Mark VII Cpe	10,928	11,039	10,711
86 MERCURY LYNX			
L Htchbk 4 Dr	3675	3711	3603
85 MERCURY LYNX			
L Htchbk 4 Dr	2892	2921	2834
86 MERCURY COUGAR			
Cpe LS	7933	8013	7773
85 MERCURY COUGAR			
Cpe LS	6465	6530	6337
86 MERCURY TOPAZ			
GS Sdn 4 Dr	4750	4796	4655
85 MERCURY TOPAZ			
GS Sdn 4 Dr	3658	3694	3587
86 MERCURY MARQUIS			
Sdn	4752	4799	4658
85 MERCURY MARQUIS			
Sdn	3733	3770	3660
86 MERCURY GRAND MARQUIS			
Sdn	8907	8997	8730
85 MERCURY GRAND MARQUIS			
Sdn	7244	7318	7102
86 OLDS FIRENZA			
Sdn	4859	4909	4764
85 OLDS FIRENZA			
Sdn	3844	3883	3769
86 OLDS CIERA			
L Coupe	6062	6120	5940
L Sdn	6136	6197	6015
85 OLDS CIERA			
LS Cpe	4866	4917	4770
LS Sdn	4929	4977	4829
86 OLDS CALAIS			
Sdn	6163	6233	6040
86 OLDS CUTLASS SUPREME			
Cpe	6799	6868	6667
Sdn	6627	6695	6492
85 OLDS CUTLASS SUPREME			
Sdn	5438	5491	5332
86 OLDS 98			
Rgcy Sdn	9079	9170	8897
85 OLDS 98			
Rgcy Sdn	7395	7470	7248
86 PLYMOUTH HORIZON			
Htchbk 4 Dr	3443	3477	3374
85 PLYMOUTH HORIZON			
Htchbk 4 Dr	2727	2753	2671
86 PLYMOUTH RELIANT			
Sdn	4277	4318	4192
85 PLYMOUTH RELIANT			
Sdn	3234	3265	3168
86 PLYMOUTH CARAVELLE			
SE Sdn	5334	5388	5227
86 PLYMOUTH GRAN FURY			
Salon Sdn	5058	5109	4958
85 PLYMOUTH GRAN FURY			
Salon Sdn	4018	4059	3938
86 PONTIAC T-1000			
Sdn	3067	3099	3005
85 PONTIAC T-1000			
Sdn	2476	2501	2429
86 PONTIAC SUNBIRD			
Sdn	4740	4788	4647
85 PONTIAC SUNBIRD			
Sdn	3722	3761	3648
86 PONTIAC 6000			
Sdn	5822	5881	5706
85 PONTIAC 6000			
Sdn	4502	4548	4414
86 PONTIAC GRAND AM			
Sdn	6412	6474	6284
86 PONTIAC FIREBIRD			
Cpe	6681	6748	6547
85 PONTIAC FIREBIRD			
Cpe	5564	5620	5453
86 PONTIAC BONNEVILLE			
Sdn	6333	6396	6204
85 PONTIAC BONNEVILLE			
Sdn	4867	4917	4770
86 PONTIAC GRAND PRIX			
Cpe	6805	6873	6671
85 PONTIAC GRAND PRIX			
Cpe	5636	5692	5521
86 PONTIAC PARISIENNE			
Sdn	7649	7722	7494
85 PONTIAC PARISIENNE			
Sdn	6095	6156	5973
86 NISSAN SENTRA			
Std Sdn 2 Dr	3614	3651	3542
86 NISSAN STANZA			
GL Ntch 4 Dr	6114	6175	5991
86 NISSAN MAXIMA			
SE Sdn	9226	9318	9042
85 NISSAN SENTRA			
Std Sdn 2 Dr	2819	2848	2765
85 NISSAN STANZA			
XE Htchbk 4 Dr	4310	4352	4224
85 NISSAN MAXIMA			
SE Sdn	7457	7533	7307
86 TOYOTA COROLLA			
Sdn 4 Dr Dlx	5254	5307	5148
86 TOYOTA CAMRY			
Sdn 4 Dr Dlx	7068	7139	6926
86 TOYOTA CRESSIDA			
Lux Sdn	10,581	10,686	10,369
85 TOYOTA COROLLA			
Sdn 4 Dr Dlx	4383	4426	4294
85 TOYOTA CAMRY			
Dlx Sdn 4 Dr	5747	5804	5632
85 TOYOTA CRESSIDA			
Sdn	8205	8286	8040
86 VOLKSWAGEN JETTA			
Sdn 4 Dr	6408	6473	6282
85 VOLKSWAGEN JETTA			
Sdn 4 Dr	5289	5343	5184

[illegible]LENDAR

OCTOBER

6-9—50th National Auto Auction Association Convention, Atlanta Marriott Marquis, Atlanta, GA. Information: (402) 464-2170.

16-20—76th National Safety Council Congress & Exposition, Orange County Convention/Civic Center, Orlando, FL. Information: (312) 527-4800.

17-18—Springfield Resources Maintenance Institute seminar on fleet maintenance, Milwaukee, WI. Also to be held in seven other cities in October and November, 1988. Information: Joel Levitt, (215) 924-0270.

23-26—Payless Car Rental Convention, Grenelefe Resort, Orlando, FL. Information: (800) 237-2804.

27-30—Fourth Annual Conference and Exposition of the National Association of Fleet Resale Dealers, St. Anthony Intercontinental Hotel, San Antonio, TX. Information: (213) 923-1276.

NOVEMBER

3-6—Freedom Rent-A-Car Convention, Sheraton Bal Harbour, Miami. Information: (800) 333-0562.

3-6—Legislative Issues Segment, National Vehicle Leasing Association, Lafayette Hotel, Boston, MA. Information: (213) 838-3170.

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GAS PRICES

UNLEADED

City	Cost Per Gallon Unleaded Full-Serve	Self-Serve
Montgomery, AL	126.4¢	96.6¢
Little Rock, AR	129.0	93.4
San Jose, CA	132.9	98.4
Denver, CO	133.0	101.7
Hartford, CT	121.9	113.9
Washington, DC	141.4	103.4
Dover, DE	111.4	89.9
Tampa, FL	128.6	95.4
Atlanta, GA	127.7	89.7
Honolulu, HI	168.7	130.6
Springfield, IL	136.9	96.6
Royal Oak, MI	140.9	100.4
Reno, NV	142.2	113.7
San Antonio, TX	116.4	89.9
Seattle, WA	122.9	91.9

Survey conducted during the first five working days of September 1988.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.